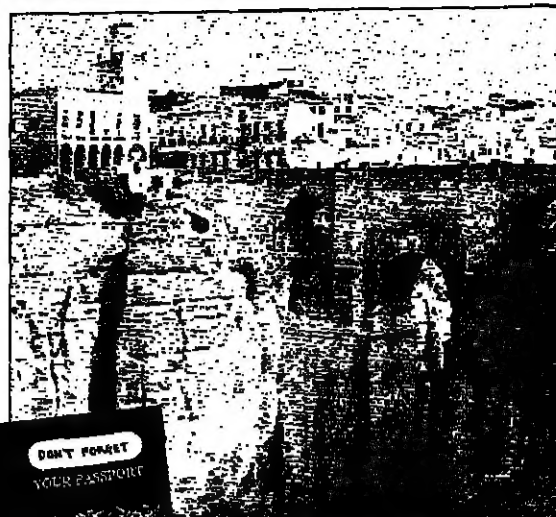


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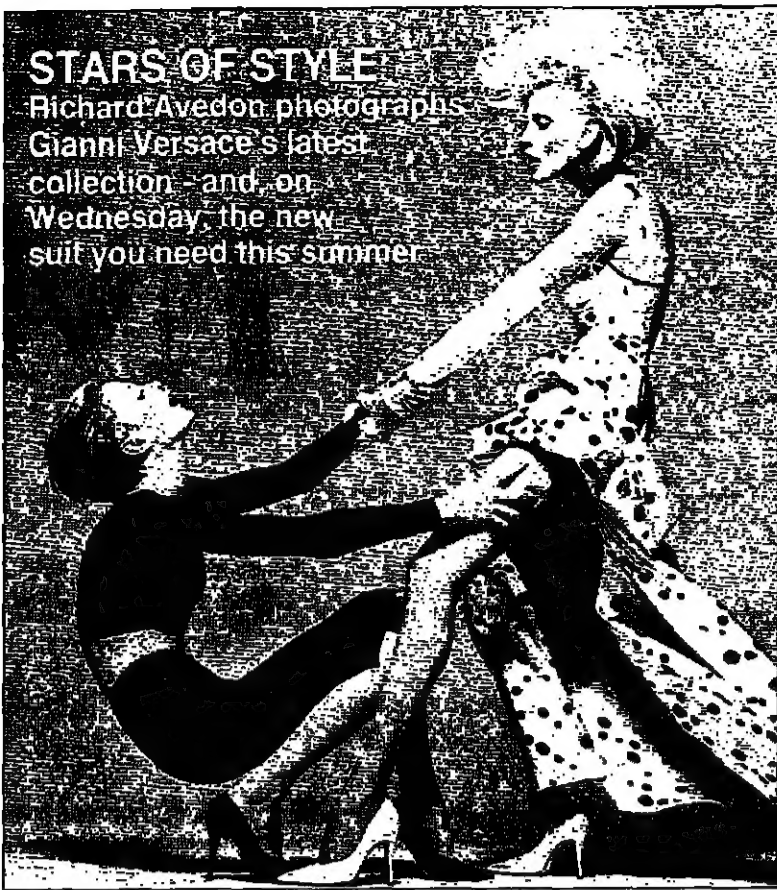
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SEX WARRIOR
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Government refuses to stand alone on animal trade ban

By ALICE THOMSON, POLITICAL REPORTER

THE Government admitted yesterday that the policing of demonstrations against the export of live animals had cost £6 million but refused to back a Commons Bill calling for an end to the trade.

Bill Oliner, Labour MP for Nuneaton, introduced the second reading of the Transport of Animals for Slaughter Bill, which seeks to outlaw exports of animals unless ministers are satisfied with their treatment during the journey. It also calls for a ban on the export of calves that would end up in veal crates, illegal under British law.

Mr Oliner, whose constituency is near Coventry airport, where more than £385,000 has been spent policing demonstrations, was supported by

MPs from both sides of the House. But Angela Browning, the Agriculture Minister, said her department had taken legal advice from several sources and found Britain could not stand alone on a ban.

She said: "Ultimately if we really care about standards it is vital we get effective legislation that can be enforced throughout Europe."

Mr Oliner painted a tortured picture of young calves suffering at his local airport. He told the House: "More than two million animals leave the UK each year to experience the most horrendous and unnecessary journey of their lives when they could be transported to a local slaughterhouse, humanely killed and trans-

ported abroad as carcass. I'm not a sofie. I don't think many people in this country are sofies but live animals bruise easily. Carcasses don't."

Mr Oliner said British farmers also lost out because of the stress the animals suffered in transit. "Their animal husbandry is world-class, but the quality of that product is severely damaged when it travels across Europe," he said.

He cited the Danish who export all animals by hook rather than hoof and said it was a quarter of the cost to carry a carcass. He also blamed the closure of British abattoirs and loss of jobs on more live exports.

Michael Stephen, Tory MP for Shoreham, where West Sussex police have spent £3.74 million, said he was proud to support the Bill. Tony Banks, Labour MP for Newham NW and a vegetarian, said he would be prepared to pay extra to compensate farmers and if he was arrested for protesting was happy to go to jail over the issue.

Peter Atkinson, Tory MP for Hexham, was the only MP to warn: "There are many hill farmers in my constituency who would be seriously damaged if this Bill went through. The vast majority of animals exported reached their destination within 15 hours of leaving the UK."

Martin O'Neill, Labour's energy spokesman, said the price cuts envisaged by the industry were well below public expectations.

Although the regulators appointed by the Government for the various privatised utilities are intended to be the customer's friend, Professor Littlechild is in danger of becoming unpopular with everyone. He helped create the system of regulation used in industries where there is insufficient competition to prevent the dominant force from overcharging customers. At the time of privatisation, most of the companies were grossly inefficient by outside standards. The idea was to

make demands that would keep any price rises below the rate of inflation.

Many of Professor Littlechild's difficulties stem from the 18 electricity companies he oversees each having a team for regulatory issues. In the run-up to his reviews of prices, he has often seemed outgunned. Observers say that last summer the 12 regional companies buried him in data showing that each was entitled to leniency.

The head of one of the electricity companies said yesterday that when the August review was published, Professor Littlechild "was knocked off his feet by the reaction. He thought people would say: jolly good show.

Stephen." Instead, he was accused by consumer bodies of giving the customer a raw deal. He reacted by going back on a ruling the industry had thought fixed, sending share prices crashing. Observers believe he is now making decisions on the run.

He will have to steer an impossible middle course between calls for much lower bills and the intransigence of the industry. He has upset investors who bought into the two power generators but saw their hopes of immediate profits dashed, and has dragged the Government into a public row.

Business news, page 19

Clarke dismisses home rule 'nonsense'

By NICHOLAS WOOD
CHIEF POLITICAL CORRESPONDENT

A SCOTTISH Parliament would cost the average Scots family at least £300 a year, Kenneth Clarke said yesterday as he denounced the "old-fashioned nonsense" of Labour's plans for devolution.

A tax-raising assembly in Edinburgh would not only impose new financial burdens on the people of Scotland, the Chancellor said. It would also increase English voters' income because while their MPs would not be able to vote on Scottish matters, Scottish MPs at Westminster would be free to make law in England.

Putting forward an economic and political case for the Union, Mr Clarke said that public expenditure in Scotland was more than £600 per person per year higher than in England. If Labour's plan for an assembly went ahead, English taxpayers would expect more of this money to be raised in Scotland.

Tony Blair, the Labour leader, proposed limiting the planned Parliament's tax-raising powers to a levy of 3p in the pound on the basic rate of income tax. This would cost the average family £300 a year, but the final bill would almost certainly be higher, Mr Clarke told industrialists in Edinburgh. "It would only be a matter of time before the Assembly asked for powers to levy any amount of income tax it chose."

Lottery grants go to Welsh arts projects

A tiny amateur dramatic society, a £6 million arts centre, a jazz club and a brass band were among the first arts projects to receive grants from the National Lottery yesterday. The grants, totalling £2.25 million were awarded in Cardiff by the Arts Council of Wales. The biggest award, of £2 million, went to the Cardiff Old Library Trust, towards the £6 million cost of the redevelopment of the library's listed building and the creation of a new visual arts centre at the city centre venue. The smallest grant, just over £2,000, went to the Colstars amateur operatic and dramatic society, in Aberdare, Mid Glamorgan, towards the purchase of ten radio microphones. Giveaway of century, Magazine page 18

Bankruptcy threat lifted

Conservative Party chiefs believe that they have staved off the threat of imminent bankruptcy for one of their MPs, which could have led to resignation and a by-election. Last night, senior party sources indicated that a rescue operation by Government whips raising money from parliamentary colleagues and Tory benefactors had been completed.

Civil servant jailed

A Health Department civil servant who accepted cash and cars for awarding contracts worth £2 million for office furniture was jailed for a year yesterday. David Bowles, 28, of Romford, Essex, admitted conspiracy to corrupt with Adrian Dewey, 36, of Rainham, Kent, and Timothy West, 44, of Rushall, Kent, who were jailed for nine months each.

Shooting report to DPP

Scotland Yard is to submit a report to the DPP on the death of David Ewin, who was shot by a police marksman in Barnes, southwest London, last month. Ewin, 38, was on parole from prison and on bail for a further offence when armed officers saw him with a stolen car. The officer, who said he believed his life was in danger, has not been named.

Sailor gets six years

A radio operator in the Royal Navy was jailed for six years yesterday after a court martial was told that he sexually assaulted a petty officer while stationed in Portugal. Mark Tonks, 23, first beat his 33-year-old victim over the head with a stone, the hearing at Portsmouth was told. Tonks, from Sutton Coldfield, West Midlands, was dismissed the service.

£8m sporting estate sale

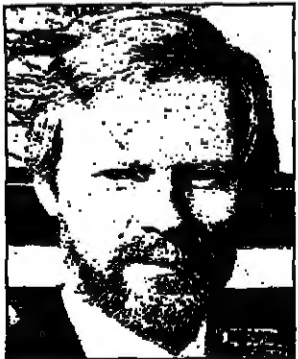
Mar Lodge, a 77,000-acre sporting estate in the Cairngorms owned by the American John Kluge, is expected to be sold to the National Trust for Scotland for £8 million, continuing the trend of sporting estates being bought for conservation purposes. Meanwhile, Keith Schellenberg is reported to have sold the island of Eigg for about £1.5 million.

Dutch buy animal VC

A Dutch museum paid £8,970 at Sotheby's in Billingshurst, West Sussex, for a Dicken Medal for animal bravery. It had been awarded to Ricky, a Welsh sheepdog that was helping Royal Engineers to clear mines at Nederweert in December 1944 when one exploded. The dog, which survived its wounds, led an injured officer to safety.

Fresh review could see new cut in electricity price

By MARTIN WALLER



Littlechild: tough task

ELECTRICITY prices in England and Wales look set to fall further from next spring after the decision of the industry regulator, Professor Stephen Littlechild, to review the pricing regime he set last August, widely criticised as too lenient.

The City believes that Professor Littlechild faces a tough task. The companies involved might only accept a formula that would reduce average household bills by about £20 over four years. In addition, many companies are against the one-off payments being demanded by consumer groups.

Martin O'Neill, Labour's energy spokesman, said the price cuts envisaged by the industry were well below public expectations.

Although the regulators appointed by the Government for the various privatised utilities are intended to be the customer's friend, Professor Littlechild is in danger of becoming unpopular with everyone. He helped create the system of regulation used in industries where there is insufficient competition to prevent the dominant force from overcharging customers. At the time of privatisation, most of the companies were grossly inefficient by outside standards. The idea was to

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Rape victim wins right to challenge compensation ban

By BILL FROST

A RAPE victim has successfully challenged the Criminal Injuries Compensation Board's refusal to make her an award because she delayed reporting the attack.

It is believed to be the first time that a court has interfered with the board's wide-ranging discretion. Mr Justice Sedley said in the High Court that there was a "major deficit" in the board's reasoning.

The victim, a Manchester woman in her early 40s, was returning home from an office in April 1991 when a man dragged her into bushes, raped her at knifepoint and indecently assaulted her several times with a screwdriver. She was so traumatised that she did not report the rape to police for six weeks.

She said in a statement to the High Court: "I didn't want to talk about it. I didn't want anyone else to know. It was too disgusting and degrading and I was so ashamed of the whole business. I think, subcon-

sciously, I was aware that telling the police would involve me in going into every graphic detail and possibly having to stand up in court and tell everyone present what he had done to me. I couldn't cope with that. I thought I could keep it quiet and it would all go away."

After friends persuaded her to report the rape, police arrested a suspect who was picked out by the woman at an identification parade. The case against him was dismissed by magistrates.

A policeman told the board that he believed the court had not considered the identification to be definite enough. Lack of scientific evidence might also have been a factor. The judge said yesterday that it was incomprehensible that magistrates had let the man walk free.

The board disallowed the woman's compensation claim in April 1993 on the basis that she had not taken without

delay all reasonable steps to inform the police and to co-operate in bringing the offender to justice. Yesterday the judge said that the board's reasoning omitted the crucial step of weighing the significance of the delay against the reason for it.

Mr Justice Sedley said it was not a question of simply having regard to the circumstances, but of reasoning whether a woman "emotionally and mentally frozen" by a terrifying and degrading experience should have the delay in reporting the rape held against her.

"As everyone concerned in this area of work now knows, one of the fruits of crimes of sexual violence and abuse is the silence of the victim. To allow such silence to operate in the offender's favour is to compound the crime," he said.

He quashed the decision of the board, refused leave to appeal and ordered it to pay the legal costs.

Drug smuggler's 'double' on passport charge

By KATHRYN KNIGHT

A SOUTH London market porter was remanded in custody by magistrates yesterday accused of helping an escaped prisoner and obtaining a passport by deception, while the Philippine authorities tried to identify a British drug smuggler claiming the same name.

Earlier this week the smuggler, who maintains that he is Nigel Gatward, a self-employed mobile phone salesman from Clapham, south-west London, was given a 35-year sentence for heroin smuggling. British police now suspect he is Lee Heatley, 27, who has 14 previous convictions and who failed to return to Down View Jail, Surrey, last year after home leave.

Yesterday at South-West London Magistrates' Court, the real Nigel Gatward, 31, from Clapham, appeared charged with harbouring an escaped prisoner, assisting an offender, and conspiracy to obtain a passport by deception to enable a person to abscond from the country. He was remanded until Monday.

In the Philippines, an assistant chief state prosecutor said last night that if the man jailed in Manila had lied about his identity, prosecutors would immediately petition the courts for a stiffer sentence, possibly the death penalty. The trial judge said he had



Gatward: remanded in custody to Monday

refrained from imposing the death penalty because there were no aggravating circumstances in the case.

Matthew Gould, of the British Embassy, said that the man convicted in the Philippines had a valid passport. He added that "Gatward", who began his 35-year sentence on Tuesday, would soon be transferred to the national penitentiary at Muntinlupa, home to the most violent criminals.

After the brief hearing in London, Nigel Gatward's brother Kevin, said: "The man in court is my brother, the man in the Philippines is Lee Heatley. I have known him since he was eight and there is no doubt. We are not related but we lived in the same area most of our lives. My brother is a nice, honest bloke."

Cinema arsonist changes plea

By MICHAEL HORSNELL

A DEAF man who set fire to a pornographic cinema club in revenge for being thrown out by a doorman in a row over the admission fee pleaded guilty yesterday to the manslaughter of three men.

David Lauwers, 35, confessed to the "reckless" arson attack on the New City club in Smithfield, central London, on the fifth day of his trial for murder at the Old Bailey when the prosecution concluded its case.

But the prosecution will still press for convictions for murder and for arson intended to endanger life in the attack on February 26 last year in which 11 men died and 15 more were badly hurt when Lauwers set fire to petrol he had poured into a hallway.

Lauwers, who changed his plea to guilty to the lesser charge of arson while being reckless to whether lives would be endangered, was said to have been drunk when he carried out his revenge 30 minutes after being ejected.

The jury has been told that the three murder charges against Lauwers, a tailor's assistant who has a sign language interpreter with him in the dock, are representative counts. The jury is expected to retire to consider verdicts on Monday.



Graeme McBride, left, Ronnie Thomson, centre, and Wayne Allan entered the mine workings "for an adventure" but quickly became lost

Teenagers rescued from disused quarry

By BILL FROST

THREE teenagers lost in a disused limestone quarry were reunited with their relieved relatives last night after being found by mine rescue teams.

Ronnie Thomson, 19, Wayne Allan, 17, and Graeme McBride, 15, looked bedraggled, tired and hungry after 17 hours underground. They had ventured into the mine workings at Culls Hill, near Kennoway, Fife, late on Thursday evening and soon became lost in the labyrinth of passages.

The teenagers, all from Kennoway, had entered the workings "for an

adventure". They were found by Napoleon Smith and Alan Kenney, volunteers from Longannet Colliery, Fife, who were part of a search team of 12 miners.

"We heard shouts and we shouted back," Mr Kenney said. "Our first reaction was that it was some of our colleagues. But as we got closer they could see our lights and they came running towards us. There was a lot of excitement and relief on their faces. They shook our hands, said they were glad to see us, and said they would never go down there again."

Wayne Allan said: "We only went in

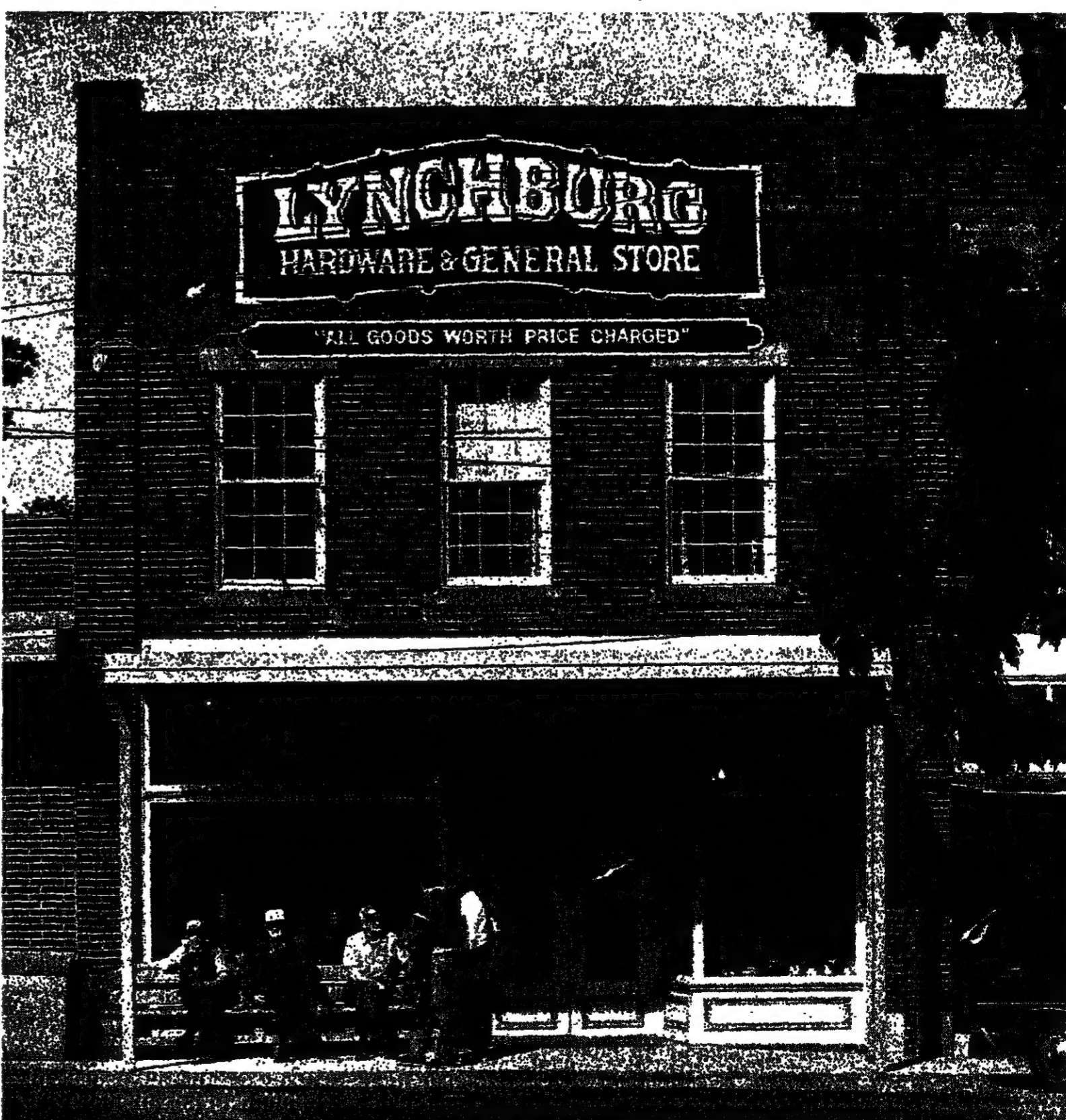
for an adventure. But when we got down we got lost. We could not see a thing after the torch got broken. It was pitch black in there and very creepy. We slept for some of the time and walked around looking for a way out the rest of the time. We had nothing to eat or drink with us."

Graeme McBride said: "We were all trying to cheer each other up. Although none of us said it, I'm sure it was at the back of all our minds that we might never be found."

The three were examined by ambulance men and treated for mild dehydration. Andrew Watson, who led the

rescuers said: "It was a matter of starting from scratch and was very much a joint effort." Six two-man teams had been searching the quarry since early yesterday after the alarm was raised by a teenager who had driven the boys to the scene.

They were eventually found in an area that had already been covered by the searchers four times. Police said that the boys had been moving around the underground labyrinth trying to make their way back to the surface. The point at which they were found was up to half a mile from where they entered the system.



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Soccer boy three days too old

By ADAM FRESKO

A SCHOOLBOY footballer has been banned from playing for a year and his team has been kicked to the bottom of their league because he is three days too old.

While filling out the form for the Windsor Drive club in Tuffrey, Gloucester, John Cain put his date of birth as 27-8-80 when it should have been 28-7-80 — making him three days too old for that age

group. When officials at the Gloucester Youth League found that he had been playing in the wrong age group since he was nine they docked his team 24 points, putting them at the bottom of the league.

John, a sweeper, has also been stripped of the player of the year award he won when he was 12 and the team has been ordered to replay all the games in which John took part, which will mean playing

up to three games a week until the end of the season. The club has been ordered to give back the three trophies it won last year and John has been charged with misconduct and bringing the game into disrepute.

John's parents, Colin and Gill are to lodge an appeal against the decisions. Mr Cain said: "John has been made a villain all because of a mistake he made when he was nine."

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THE SUNDAY TIMES Dan Quayle — the nearly man

Dan Quayle left the comedians crying when he quit the presidential race. But once the jokes



have died down, he'll be back. Michael Medved interviews the ex-veep who isn't as dumb as he seems...

The Magazine
— The Sunday Times tomorrow

Jury split over case of 18-year-old charged with killing British holidaymaker in Florida

Second trial of teenager accused of murder fails

FROM JAMES BONE
IN NEW YORK

A MISTRIAL has been declared for the second time in the case against a Florida teenager accused of killing a British tourist in a botched robbery at a motorway rest area.

Gary Colley, 34, was shot dead and Margaret Jagger, 36, his companion, wounded when a gang of teenagers surrounded their car on September 14, 1993, after they pulled off the road near Monticello in northern Florida to take a nap.

The murder was the ninth killing of a foreigner in Florida in a 12-month period, tarnishing the state's image as a popular tourist destination.

Four local youths were charged with the attack but only John "Billy Joe" Crumitie, 18, refused to plead guilty in return for a lighter sentence. Mr Crumitie's second trial on charges of murder, attempted murder and attempted armed robbery ended



John Crumitie, left, accused of killing Gary Colley



ed in a hung jury on Thursday, as had his first trial last November.

Jury members said that after seven hours of deliberations the 12-member panel was split 9-3 in favour of conviction. The jury found itself deadlocked because of the lack of physical evidence placing Mr Crumitie at the scene — the same reason given by the first jury, when only one member held out against a conviction. Gloria Rozier, one

of the jurors, said: "I needed more physical evidence — a hair, a fibre, something. Nobody put him there for me."

The prosecution's two main witnesses, Deron Spear, 18, and Aundra Atkins, 16, both said they were at the scene of the crime with Mr Crumitie. But both had plea-bargained for reduced sentences for their part in the crime.

Adopting the same strategy as it did in the first trial, the defence called no witness

apart from Mr Crumitie, who insisted he was at home in bed at the time of the attack, and that his alleged accomplices were lying.

Defence lawyers said after the second mistrial was declared that Mr Crumitie should now be freed. Dwight Wells said: "They've got the people who did this crime and I think at this point they should leave John Crumitie alone."

But William Meggs, the state attorney-general, vowed to seek justice for Miss Jagger, who gave evidence at the trial and was present when the mistrial was announced. She greeted the decision in silence, simply shaking her head and gripping the hand of a victim's advocate. She refused to make any comment.

"We're going to give her her day in court, and one day I think we'll reach a just verdict in this case," Mr Meggs said. The judge ordered Mr Crumitie to be held in custody while prosecutors prepare for a third trial.



Margaret Jagger, wounded in the 1993 attack, hears the mistrial announcement

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سوزوكي

Ancient festival becomes mother of all sales ploys

Commercialism has turned Mothering Sunday into Mother's Day. The culprit was an unwitting American, Lin Jenkins writes

MOTHERING Sunday, the fourth Sunday in Lent, dawned tomorrow with its ancient traditions all but smothered by a welter of commercialisation and false sentiment.

Few children will follow the custom of handing their mothers a posy of snowdrops or primroses in church. Instead they will consider their filial duty done by providing tea in bed or tackling the washing-up. More than 25 million will give cards to mark the day that has become Mother's Day and owes more to modern America than to its Christian history.

The day's origins are obscure, but by the Middle Ages it was the day on which the daughter churches honoured the mother church and visited it in procession with banners, an honour transferred after the Reformation to the mother of the family. By the 17th century Mothering Sunday had evolved into a holiday for young people in domestic service to return home to see their mothers, bearing spring flowers picked on their way, and to visit the church where they were baptised.

Flowers are still very much a part of Mother's Day, but now children are exhorted by florists: "Don't forget Mother's Day — we won't." A bouquet remains the favourite gift, and Interflora estimates that it will do business worth more than £10 million this year.

Chain stores appeal to the consciences and pockets of the young to buy everything from prettily packaged toiletries to shirts and jumpers. Supermarkets produce special cakes in jarring colours.

The array of fluorescent soft toys, mugs bearing cringing messages and ceramic animals with oversize eyes and pathetic expressions has multiplied. From every other shop window reminders of the date assault the childish eye.

Pink is a favourite colour, with balloons and rosettes bearing such platitudes as "Number One Mum" being offered as alternatives to cards.

The Royal Mail, which delivers more than 10 million cards from dutiful children, found in a survey that mothers in the North East were the most likely to receive cards. They also found a correlation between the newspaper read by the child and the likelihood of her or his remembering Mother's Day. Readers of The

Sun, Daily Star, Daily Mail and The Daily Telegraph are the most prolific card senders. Readers of The Times however, are the least likely to send — or receive — a card. It is all a far cry from Wafering Sunday, and Frumery Sunday, as Mothering Sunday has been called in the past. The names refer to the wafer cakes, offered to mothers, and a cross between a soup and a pudding of hulled wheat, milk and cinnamon which should, not, according to custom, be eaten until some wise saying has been uttered, preferably a proverb of King Solomon.

Today's celebrations, the gaudy gifts and tasteless trinkets pitched at pocket-money



The classic card that says it all

prices, are largely the responsibility of Anna Jarvis, a deeply religious woman whose devotion to her late mother spawned more than even she intended.

As founder of the American Mother's Day Movement in 1907 she suggested that those with mothers alive should wear pink carnations and those whose mothers were dead should wear white ones. It led to wild price fluctuations, first in flowers and then in novelty gifts. When she raised her voice against the increasing commercialisation of the day, she was drowned out by the salesmen. Little has changed.

Letters and leading article, page 15



Breakfast in bed has become the modern-day tradition

Parents revolt over teacher sacked for clash with pupil

BY BEN PRESTON, EDUCATION CORRESPONDENT

PARENTS have rallied to the defence of a deputy head teacher dismissed after allegations that he manhandled a ten-year-old boy.

Fifty parents from Westfield primary school at Radstock, Avon, have signed a petition in support of Carl Torrington, 45. On Wednesday the governors rejected his appeal against the sacking. Some parents are to form a campaign group called Friends of Westfield School and are threatening to take their children out of class.

Mr Torrington, a father of three, denies that he handled the boy roughly after he misbehaved and refused to obey an instruction to turn round. He said: "I pulled his jumper and turned him round to face me. I guided him, using a thumb and forefinger, and then told him off."

"I did not even rip the jumper or anything. He knew he was in trouble and was upset. He went away in tears." Mr Torrington, a teacher for 17 years, said that he was amazed when the boy's parents complained about the incident, which led to his dismissal before Christmas. He apologised to them immediately in person and by letter.

A previous allegation that he had forced a girl to sit down by tapping her on the back of

the knee was raised at the disciplinary hearing. But Jackie Wilcox, who has two children at the 380-pupil school, said: "Mr Torrington is a model teacher. He is kind, patient and exactly the sort of teacher every parent would want in charge of their kids. The allegations are so trivial it is absolutely ridiculous. We are devastated that we have lost such a committed teacher."

Jane Haley, 39, who has three children, said some parents might take children away from the school: "Mr Torrington only did what anyone would have done. If any of my children had been naughty I hope he would have acted in exactly the same way."

Last night the father who

made the complaint said: "Mr Torrington should probably have had a written warning. I am not happy that he was sacked." But he added that he was unhappy about his son's treatment: "My son goes to school for an education, not to be physically abused."

Eric Baldwin, the head teacher, and the Rev James Thicke, the chairman of governors, were unavailable for comment.

Mr Torrington said: "I was sacked for the alleged manhandling of the schoolboy. In the course of my disciplinary hearing the other complaint made against me was brought up. Nothing was done about that incident at the time because it was deemed a relatively trivial matter."

Two 13-year-old girls have been suspended after they sprayed 17 pupils with airgun pellets at Helenswood School in Hastings, East Sussex. Police were called to the girls' school after a pupil brandished the weapon in the playground.

Neil Reynolds, 31, a mathematics teacher of Tunbridge Wells, Kent, who indecently assaulted two 12-year-olds on a school boat trip, was sentenced at Maidstone Crown Court to 240 hours' community service. He had changed his plea to guilty during his trial last month.



Torrington: appeal was turned down



Matthew Simmons leaving Croydon Magistrates' Court yesterday. He was bailed to appear for trial on May 23

Fan's trial set for same day as Ince's

BY RICHARD DUCE

EXTENSIVE security will be needed in May for the trial of the Crystal Palace fan linked to the jailing of Eric Cantona after magistrates yesterday fixed his case for the same date as that of Paul Ince, another Manchester United soccer star.

Matthew Simmons was unconditionally bailed for trial on May 23. On that day, Ince, the England player alleged to have been involved in the fracas after Cantona's kick at Mr Simmons, will be tried separately. He denies common assault against another Palace fan. Authorities had a warning of the likely prob-

lems yesterday as Mr Simmons, 30, was involved in angry scenes with photographers when he left Croydon Magistrates' Court, south London. At one point, he stumbled before being bundled into a white BMW and driven off at speed.

He denied two public order offences in connection with Cantona's assault on him during a match between Palace and United in January. On Thursday, Cantona was jailed for two weeks at the same court but later granted bail by a judge in chambers pending an appeal against sentence on Friday.

Mr Simmons, a window fitter, of Thornton Heath, is charged with using

threatening, abusive or insulting words or behaviour likely to cause immediately unlawful violence by another person. He is also charged with using threatening, abusive or insulting words or behaviour within the hearing or sight of a person likely to be caused harassment, alarm or distress.

Yesterday, Jeffery McCann, for the prosecution, initially sought a court order banning reports of proceedings against Mr Simmons because there was a danger of prejudice after the extensive coverage of Cantona's case. He withdrew the application after representations from the press.

Teenagers guilty of mugging Hurley

BY MICHAEL HORSNELL

FOUR young women who mugged the actress and model Elizabeth Hurley at knifepoint were told by a judge yesterday that they faced prison sentences after a jury found three of them guilty of robbery. The fourth admitted the offence.

The jury at Southwark Crown Court convicted Christina Guerrina, 18, Carlene Irving, 18, and Tamara Flowers, 17, Helen Danso, 17, pleaded guilty at the start of the trial. The judge ruled that the two 17-year-olds, known during the trial as Miss B and Miss C, could be named.

The four robbed Miss Hurley, 29, of £10 and some photographs as she walked alone to the flat she shares with the actor Hugh Grant. Judge Butler, QC, adjourned the case until April 12 for sentencing but told the teenagers: "I have in mind a custodial sentence."

After the case Monica Guerrina, 36, mother of one of the teenagers, said: "Before this case, a lot of people didn't know who Miss Hurley was. My daughter has made her famous, and this is a high price to pay."

CORRECTION

THE telephone number for the Alhambra Theatre, listed in the Dance section of Choice in today's Weekend section, should be 01274 752000 and not as printed.

Schoolchildren ill after vaccine dose

BY MARIANNE DARCH

DOZENS of schoolchildren suffered fever and hallucinations after they were given overdoses of diphtheria vaccine by medical officers in Wiltshire.

Parents of the sick children, who were vaccinated two weeks ago, feared a meningitis outbreak until they were told of the error by health authorities. They are now demanding a public inquiry.

Two hundred and fifty pupils aged between 14 and 15 received incorrect dosages of the vaccine during routine immunisation programmes at Devizes School and George Ward School in Melksham. Many developed flu-like symptoms, swollen arms and hallucinations.

Parents received a letter telling them of the error a week later. The vaccines were administered by Bath and West Community NHS Trust, which conceded that mistakes had been made. The

children should have been given booster injections of the diphtheria vaccine to protect them against a resurgence of the disease in eastern Europe. Instead they received a stronger dosage intended for babies.

Jocelyn Smith, whose son Simon, 14, attends Devizes School, said yesterday: "We did not know what was going on until we received the letter. We were extremely concerned. Simon was suffering from flu-like symptoms, high temperatures and was acting all over. He spent a week off school."

Edith Hoffman, deputy head of Devizes School, said yesterday: "We are obviously as anxious as the parents to know exactly what went wrong. I think it's unbelievable that anything like this can happen."

Philip Pugh-Morgan, chief executive at the NHS Trust, said that an inquiry had been started.

MPs vote to regulate activity centres

BY ALICE THOMSON
POLITICAL REPORTER

A MOVE to tighten safety rules for activity centres after the Lyme Bay canoeing tragedy cleared the Commons yesterday with full government backing.

The Bill would mean strict regulations for centres where people under 18 take part in adventure sports and would set minimum standards of safety, maintenance and use of equipment. The backbench Bill, introduced by David Jamieson, Labour MP for Plymouth Devonport, now goes to the Lords where, if successful, it will establish an inspectorate with powers to stop hazardous activities.

Peter Kite, managing director of the Lyme Bay centre, was jailed for three years for manslaughter after the deaths of four teenagers.

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BBC film is attacked for 'warped' view of priesthood

By ALEXANDRA FREAN, MEDIA CORRESPONDENT

THE BBC's latest feature film, *Priest*, has been condemned by a leading Roman Catholic group in the United States for presenting a warped and depraved vision of Catholicism.

In a statement issued this week, the New York-based League for Religious and Civil Rights has also criticised the film's distributors, the Disney-owned company Miramax, for deciding to release the film nationwide in America on Good Friday.

William A. Donohue, the league's president, said that the film, which stars Linus Roache as a homosexual Catholic priest, presented a "cruel caricature" of the Catholic

also accused Jimmy McGovern, its writer, and Antonia Bird, its director, as having "an animus" against the Catholic Church. He called on the Disney company to dissociate itself from *Priest*, which risked blackening its "Snow White" reputation.

"To release this movie on Good Friday — and with apparent glee — is the final straw: any fair-minded person will admit that this crosses the line of decency. It is precisely this kind of 'in your face' attitude that warrants a strong and unconditional reaction from non-Catholics as well as Catholics," he said.

Priest has encountered some resistance in Britain. Although set in Liverpool, many scenes had to be shot in London because of opposition to the film from Liverpool's Catholic community. A spokeswoman from the Catholic Media Office, which speaks for the Bishops' Conference in England and Wales, said: "We certainly have not condemned it. It is up to individual Catholics to make up their minds. It's extremely well made. Some people are going to be upset about it."

A spokesman for the BBC said: "*Priest* is ultimately a film about Catholic forgiveness. It's not an anti-Catholic film but deals with issues that are being debated in the Church today in an uncompromising but responsible way."

The *Tablet*, the influential Catholic weekly, described the film as "well-made, honest, courageous and sensitive". The paper's reviewer, Vicky Crossick, director of pastoral formation at Allen Hall, the seminary of the Westminster diocese, wrote: "It is a very Catholic film, with the Eucharist and the Reconciliation at its core."

The film entered the British box-office chart this week in twelfth position, taking just under £100,000. In London it was the highest new release, in fifth position.



Linus Roache plays a homosexual priest

clergy and deliberately set out "to convince the public of the Catholic Church's malevolence".

He said there was not one priest in the film portrayed as well adjusted and faithful to the Church. "Perhaps most alarming, the depraved state of the priests is not cast as a manifestation of aberrant behaviour, rather it is directly attributable to the warped nature of Catholicism."

In the most outspoken attack against the film, which was produced by the BBC's drama department and released in British cinemas earlier this month, Dr Donohue



Tony Blair and Michael Winner with Sgt Forth's widow, Gill, son Christopher and mother, Noreen, after the memorial unveiling yesterday

Blair and Winner praise dead officer

TONY BLAIR joined yesterday with the film director Michael Winner to pay tribute to a policeman murdered on duty. Mr Blair travelled to Sunnyside, Tyne and Wear, to unveil a granite memorial to Sergeant Bill Forth, who was killed on a council estate near by two years ago.

Straining his voice against a fierce wind buffeting the exposed village, the Labour leader spoke of the example that Sgt Forth "set for all of us". He said: "Although we are immensely saddened by his death and the appalling circumstances that surrounded it, we do feel a very great sense of pride in the life that he led and in the death he faced so

bravely." Sgt Forth had been called to a routine incident — a complaint of a house window being smashed — on Sunnyside's Clover Hill estate when he was confronted by a man and a youth intoxicated by drink, drugs and lighter fluid, who battered and stabbed him.

Michael Winner, chairman of the Police Memorial Trust, told the crowd that police officers continually faced danger as they went on duty unarmed and unaware what they might have to face. Police were caught up in "a war that has no start and has no end".

He said: "That war is fought by the police against terrorism, robbery, villainy, against evil of all kinds. The young

men and women who fight this war are expected to do it against terrible odds."

Sharing the platform with Mr Winner and Mr Blair were Sgt Forth's widow, Gill, his son Christopher, his mother, Noreen, and John Stevens, Chief Constable of Northumbria. Flowers from the Prime Minister were accompanied by a card stating: "In memory of William Forth, a man of great courage. With all my sympathy, John Major."

Paul Weddie, 25 at the time of the killing, was last year jailed for life for murder and Phillip English, who was 15 at the time, was detained at Her Majesty's Pleasure. English is to appeal against his conviction next week.



Sgt Forth: battered and stabbed to death

Labour members condemn female shortlist as betrayal

By PAUL WILKINSON

ONE Labour Party officer in a marginal Tory seat has resigned and three others are under pressure to follow after a dispute over selecting a female candidate to fight the next election. The four have been accused of betraying the party in Keighley, West Yorkshire, by opting for an all-woman shortlist against the wishes of party members.

Those members are to ask Labour's National Executive Committee to overturn the selection decision in the constituency where the Tory MP

Gary Waller has a 3,596 majority. Andrew Mudd, 34, a longstanding party member and potential candidate, said: "Keighley is a parochial town and many people believe it needs a local person to win it. No obvious local woman candidate has come through so far, and if we have to bring in an outsider then we feel that will count against us."

Members voted a year ago not to let Keighley join a national Labour list of winnable

seats where candidates would be selected from an all-female panel, but at a recent regional meeting the four rebels let Keighley's name go forward.

At a heated management committee meeting this week two votes of no confidence were passed on the four. Paul Godwin, the treasurer, resigned immediately. David Halsall, the vice-chairman, Jan Williams, the secretary, and Jan Hancock, the women's officer, are said to be considering their positions.

All-seeing fruit flies point to master gene

By NICK NUTTALL, TECHNOLOGY CORRESPONDENT

FRUIT flies that have eyes on their wings, legs and antennae have been genetically engineered by Swiss scientists. The curious-looking insects, created at the University of Basel, offer further proof of mankind's ability to manipulate life.

Researchers believe they have pinpointed the master gene that controls whether embryonic tissue will develop into an eye and have used genetic engineering to switch it on in other parts of the body. The gene in fruit flies has a

counterpart in rats and humans, suggesting that similar exotic changes could be made to higher life forms one day if society deemed it desirable.

Confirmation that a master gene is at work may have important implications for treating human disorders using genetic engineering.

The research indicates that some basic genetic mechanisms, underpinning development, may be simpler than previously supposed, making them easier to treat.

NEWS IN BRIEF

Women can choose male jails

Convicted women prisoners from the north and south of Scotland are to be given the option of serving their time in male prisons to allow them more contact with their families. At present they have to serve their sentences at Cornton Vale, Scotland's only female prison, on the outskirts of Stirling, Central Region.

School in court

Bedford Modern School is to be prosecuted by the Health and Safety Executive after Ian Lo, 14, from Hong Kong, drowned in the school swimming pool last September.

Dairy pair fined

Robert and Margaret Haston, owners of a dairy in Blackburn, West Lothian, were fined £1,000 each after a food poisoning outbreak in which a toddler died.

Case dropped

Jackie Knights, 32, a York solicitor arrested on suspicion of taking cannabis into Wolds Remand Centre, Humberside, has been told no action is to be taken against her.

Charge blown up

A Second World War depth charge found by divers at the bottom of Brixham harbour, South Devon, has been detonated at sea by Royal Navy explosives experts.

Choice tenants

The National Trust has found tenants for Peckover House, Wisbech, a 1722 property used for period dramas. James and Amanda Kelleher, both musicians, have two sons.

Pop singer dies

Alan Barton, 42, singer of the British pop group Smokie, died in hospital in Cologne, Germany, on Thursday night. He had been in a coma for six days after a road accident.

Jackpot winner

A £50,000 National Lottery scratch card jackpot was won yesterday by a customer at Woolworth's in Peterborough, Cambridgeshire, within three hours of tickets going on sale.

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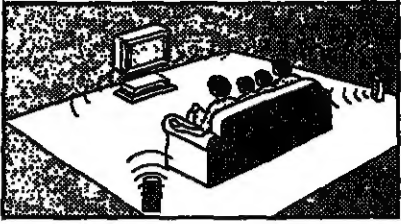
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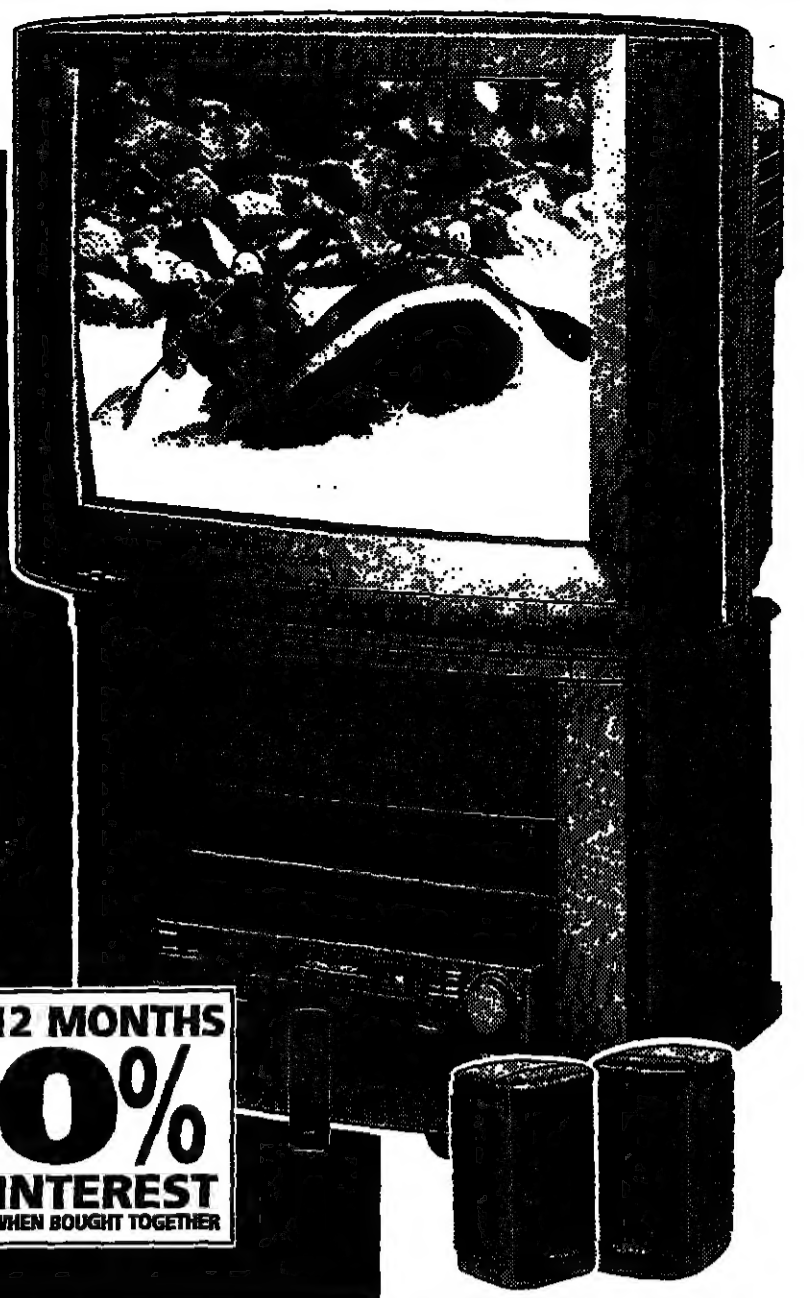
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Oil producers threaten global warming summit

BY OUR ENVIRONMENT CORRESPONDENT

MIDDLE EASTERN oil producing states will return to the political centre stage next week as they attempt to scupper a crucial international environmental summit called to head off global warming.

Up to 130 ministers, including John Gummer, the Environment Secretary, are meeting in Berlin to discuss measures to make deeper cuts in power station and other industrial emissions that are threatening the

stability of the climate and increasing the risk of natural disasters.

Britain, the EU and the Organisation for Economic Co-operation and Development (OECD) agree that more needs to be done, and Mr Gummer has suggested that emissions of all greenhouse gases should be cut by 5 to 10 per cent by 2010. The existing agreement calls for stabilisation at 1990 levels by 2000.

Although there is broad agreement among developed nations that action is required, there are mounting worries that the 10-day summit could

end in disarray. Members of the Organisation of Petroleum Exporting Countries, dominated by the Middle East, fear deeper cuts will damage their economies by pushing down world oil prices. They are expected to say the scientific basis for further cuts in emissions is flawed and unsustainable and they hope to win the backing of scores of developing nations.

China has big coal reserves and its power station emissions will soon rival those of the United States and Europe as its economy and

industrialisation grows. It for one could side with Opec.

□ Economists believe that increasing fuel prices, taxing energy guzzling industries and making motoring more expensive could head off global warming without sacrificing jobs or competitiveness.

Their findings indicate that economic activity, employment and competitiveness will increase with taxation that penalises high energy use and private transport, including road freight. The key is recycling income generated from escalating

energy taxes to cut labour costs by slashing national insurance contributions and to stimulate innovation.

Dr Paul Ekins, a research fellow in economics at Birkbeck College, London, highlighted Japan which has little or no natural energy resources and is forced to pay high import costs for fossil fuels.

"There is a clear correlation between economic success and high energy prices. Countries with the lowest energy prices are generally far less efficient and generally perform worse economically," he said.

Arctic trees show signs of life as temperatures rise

BY NICK NUTTALL, ENVIRONMENT CORRESPONDENT

TREES on the edge of the Arctic Circle are showing signs of unaccustomed activity, producing pollen and cones as rising temperatures transform the landscape. A leading British scientist believes that the changes are consistent with forecasts of global warming.

For thousands of years the spruce trees of the Canadian North have clung on at the edge of their range, barren and stunted in the bitterly cold temperatures. Now they appear poised to move northwards as warmer weather melts the tundra. Small numbers of seedlings are already spreading.

Professor Harvey Nichols, who has carried out intensive research along a 1,500km line in the Northwest Territories from a site called Keewatin, said: "When I visited the site in the early 1970s the trees were all switched off... they were not producing pollen or cones. So I thought, let's study the area 20 years on. Lo and

behold at every site all the little trees were turned on and were producing pollen and cones.

"The trees are not as yet advancing north but are on their tiptoes, on the starting blocks," said Professor Nichols, who is also hoping to study the Siberian tree line.

News of the findings, to be released next week at an Arctic biology conference at Aberdeen University, comes in the wake of evidence from scientists at St Andrews University that common Arctic flowers are spreading and altering their biology in response to temperature rises.

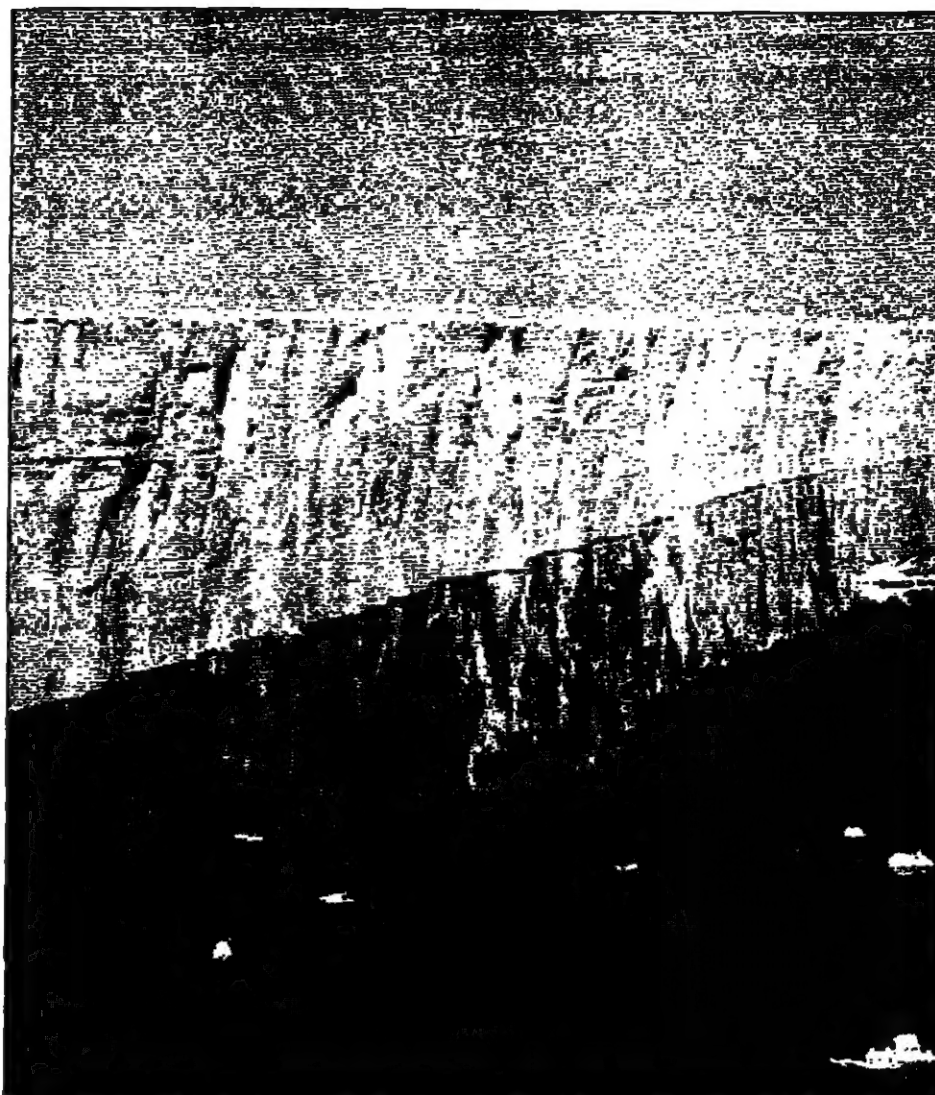
The intensity and frequency of the recent floods in Europe, which lifted the Rhine to its highest level for 70 years, have added to concerns. Readings from the Topeks Poseidon spacecraft show that sea levels are rising by 3mm a year, twice as fast as supposed.

The Meteorological Office's latest supercomputer models, which simulate the climate of the past 180 years and allow

researchers to look ahead with confidence, indicate that if fossil fuel emissions rise by 1 per cent a year until the mid-21st century, average temperatures will rise by over 1°C.

Average global temperatures have already risen by almost 0.5°C since the Industrial Revolution, matching the build-up of pollution gases. Some areas, such as the Arctic, have seen increases of as much as 9°C this century.

Professor Nichols, visiting professor in the school of natural and environmental sciences at Coventry University, who is a full professor at the University of Colorado in Boulder, said: "The temperature trend line is going down from 4,000 to 5,000 years ago, heading for the next glaciation. We may now be going through a little warming bump in this cooling trend, or man-made gases may be offsetting the cooling and be artificially heating up the Earth. As yet, we do not know."



Poles apart: while global warming has brought life to the Arctic tree line, in the south it has led to this iceberg the size of Oxfordshire breaking away from Antarctica

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500 compete for pulpit honour

MORE than 500 preachers have been entered for *The Times* Preacher of the Year Award. The final is expected to take place this autumn (Ruth Gledhill writes).

Sermons have been sent in by lay and ordained preachers of every mainstream Christian denomination. Many preachers, too diffident to nominate themselves, have been entered by their congregations.

Entries for the award, run with the help of the College of Preachers, close next Friday. The manuscripts will be assessed next month by experts chosen by the college.

At Your Service.
Weekend page 2

THE TIMES

READERS are invited to submit nominations or nominate themselves for the College of Preachers *The Times* Preacher of the Year award, with the first prize of £1,000 and a specially commissioned sculpture. Five runners-up will each receive £200. The award is open to lay or ordained preachers aged over 18 of any UK Christian church with regular access to a pulpit or preaching platform.

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I enclose a typed manuscript of a sermon by the preacher not exceeding 3,000 words (tapes are not acceptable).
Name and daytime phone number (essential) of person making the nomination: _____
Send to: The Preacher of the Year Award, c/o Ruth Gledhill, Religious Correspondent, The Times, 1 Pennington Street, London E1 9DN.
Entries must be received by March 31, 1995.



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Credo

When truth is a grey area

John Witheridge

In St John's Gospel, Jesus says: "Ye shall know the truth, and the truth shall make you free." Such apparently comforting and encouraging words have provided the text for many a sermon on the virtues of finding and telling the truth.

But truth is seldom singular and unambiguous. Truth, and especially the profound and mysterious truths of religion, are often various and contradictory. God is loving and omnipotent, teaches Christianity, yet the world is full of pain and conflict. God created the Earth, explains Genesis, but science has made it easy to conclude otherwise.

Thomas Cranmer, whom the Church of England commemorated this week, was a man whose life and death were marked by loyalty to truths that changing times rendered irreconcilable.

As Archbishop of Canterbury from 1533, Cranmer was the theological and liturgical architect of the English Reformation. In his younger days he had met with Tyndale, Coverdale and Latimer to discuss the writings of Luther and to pray for the abolition of the Pope's authority in England. No wonder Henry VIII saw in him an ally.

Cranmer was convinced too of the truth and importance of the royal supremacy, which won for the king a speedy divorce. But what

was to happen when Mary, daughter of Catherine of Aragon, acceded to the throne? To defy his sovereign, even when a Roman Catholic, presented Cranmer with a conflict of loyalties impossible to resolve.

The story of his recantations has left an indelible impression. To see them as simply cowardly and self-serving is to miss the point. Truths were at stake. At first Cranmer refused to condemn the Reformation. Next, his belief in the supremacy of the Crown, as well, of course, as the threat of death, persuaded him to recant. But this did not save Cranmer from execution.

Before the fire, Cranmer fought his final battle with truth. He thrust into the flames the hand that had written his recantations. In the end, victory went to a reformed Church, not a supreme monarch.

It is always possible to simplify the truth, or to fudge it, or to deny it, and that can bring the kind of freedom from conviction or complexity enjoyed by the cynic or the fool. But to be honest about the truth, and to face the ambiguities, complications and contradictions it so often brings, can be a painful and costly business. The price of true freedom, as the Christian knows, is Calvary.

□ The Rev John Witheridge is Conduct of Eton College.



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Panic grips Tokyo after threat of more gas attacks

FROM GWEN ROBINSON IN TOKYO

FEARS of a fresh wave of terrorism swept Tokyo yesterday as big companies and institutions warned their employees of an anonymous threat to mount bombings and poison gas attacks at 25 sites around the capital.

The threat, printed in Japanese characters on handbills and posters, was faxed yesterday between companies, banks and key business associations according to office workers, who said they were handed the bills on Thursday and Friday by unidentified men in business districts around central Tokyo. The threat was disclosed as police

stepped up their hunt for Shoko Asahara, the leader of the cult that has been linked to Monday's fatal poison gas attack on the Tokyo subway system.

The Tokyo office of Merrill Lynch, the American securities company, responded to the threats by sending employees home by taxi. However, police and Japanese media organisations, in a clear attempt to curb public anxiety, have played down or ignored news of the threat, which listed as potential targets universities, department stores, amusement parks and other public facilities along main commuter train lines in Tokyo. A police spokesman confirmed last night that a number of people had telephoned police stations about the threat.

Sources at several media organisations said that most newspaper and television groups had decided not to report the threat after police asked media executives to avoid generating panic.

One leading newspaper organisation was reported to have withdrawn an article by its crime reporters just before publication. The report said that police had yesterday discovered a container of sarin,

the toxic nerve gas used in Monday's attack, in a search of a Tokyo branch of Aum Shinrikyo (Supreme Truth). Mr Asahara's sect. One newspaper reported that the Bank of Japan, the central bank, had told all employees of the threat and told them to stay away from places mentioned in the notice. A police spokesman said last night that the threat was being treated as a "hoax" and no moves had been made to suspend train services or close universities, department stores, and other facilities.

The discoveries by police of lethal chemical compounds vital in the production of sarin have provided compelling evidence for the Government of Tomiichi Murayama, the Prime Minister, to move against the sect. The Education Ministry, which oversees religious groups, said yesterday it would urge the Tokyo court to shut down all the sect's facilities if there was sufficient evidence to prove the cult staged Monday's attack.

Mr Asahara, who has been in hiding since Monday, appeared yesterday in a videotape broadcast on a national television news programme to protest his innocence. Shortly before noon, reporters rushed



Shoko Asahara, the cult leader hunted by police, appears on television yesterday to deny any link with Monday's lethal poison gas attacks on the Tokyo subway

to a luxury hotel in Shinjuku, western Tokyo, after being told that police had found three of Mr Asahara's cars — a Rolls-Royce, a Mercedes Benz and a Japanese limousine — in a hotel car park. Staff at the hotel denied that the cult leader was among its

guests. In his midday appearance on NHK, Mr Asahara appeared with tangled black hair flowing over his purple robes and defended his religious sect. He insisted that the huge quantities of lethal chemicals seized in police raids were merely for making pot-

tery, moulding plastics and growing crops. The cult yesterday began legal action for damages after police raids on its property.

In Moscow, the Russian Justice Ministry deregistered the local branch of Mr Asahara's cult.

Ulysses translates into Chinese hit for Joyce scholar

FROM JAMES PRINGLE IN PEKING

XIAO QIAN, the Chinese translator of James Joyce and a war correspondent on Europe's Western front in the Second World War, would be considered a national treasure in most countries.

An 85-year-old writer who corresponded with E.M. Forster, Mr Xiao was a student at King's College, Cambridge, before the war and dined with George Orwell. Now, however, he is mostly ignored in China. The bleak surroundings outside the window of his functional flat, appear almost like a scene from Orwell's 1984.

Mr Xiao's translation of Joyce's masterpiece *Ulysses*, the product of six years of work with his wife, Wen Jiuru, 67, has been on sale in China for the past few months. The Chinese version of the epic story of Bloom and his companions on a day in Dublin in the early Twenties has so far sold more than 100,000 copies.

The Chinese writer was assigned by the newspaper *Dagongbao* to cover the Second World War, and he was attached to the US Seventh Army. He recalls hitch-hiking to the front in France with a convoy of more than 50 lorries taking TNT to advancing American units. "If one of the trucks had been bombed, we would all be finished. But the sky was blue without any planes. Hitler had spent all

his money on secret weapons like the V1 and V2," Mr Xiao said.

He returned to China after the Communists took power and at first worked for the party-line magazine *China Literature*, but he then spent three years in limbo during China's Anti-Rightist campaign in 1957, and later survived a labour camp during the Cultural Revolution. In early 1989 Mr Xiao signed a petition to the Chinese Government calling for the release of Wei Jingsheng, the leading human rights activist, and other dissidents.

Given the lurid nature of parts of *Ulysses*, Mr Xiao published several essays last year describing a New York court verdict concerning the book from charges of obscenity. "I had to show authorities here that more than half a century ago it was already declared non-pornographic," Mr Xiao said.

Before he came back to China, Mr Xiao was offered a lifetime tenure at King's College and said "I knew about the persecution in Russia and East Europe, and I knew I would have some trouble in China". He added: "I could have had a safe and comfortable life in Cambridge, but I had been away for seven years and I longed to get back to the city where I was born. Despite all that has happened, I don't regret it."

Ciller calls for help in fight with Kurds

BY MICHAEL BINYON, DIPLOMATIC EDITOR

TANSU CILLER, the Turkish Prime Minister, yesterday called for an international solution to what she called the lawless situation in northern Iraq. Her remarks came as Turkish jets continued pounding Kurdish positions, amid accusations from villagers that women and children were being killed.

In a BBC interview, Mrs Ciller said that since the 1991 Gulf War the area had become a springboard for guerrilla attacks against Turkey. "If we do not want Turkish soldiers to be there to protect our innocent people, then we have to come up with an international solution," she said.

The Turkish army yesterday denied that it was violating a ban imposed by Bonn on

the use of German-supplied tanks and other arms. It was, however, using tanks acquired from former East Germany via Moscow.

Turkish forces insist there have been no civilian casualties in the five-day operation. The United Nations reminded Ankara yesterday that the Turkish Kurd refugees in northern Iraq were protected by international law, even if they sympathised with the guerrillas. Mrs Ciller said she had given the "strictest orders ever" that civilians be spared.

France said yesterday that Turkish forces had a right to fight terrorists, but Ankara would not solve the Kurdish question through military force. Western diplomats called the incursion a gamble.

THE TIMES/DIXONS FORUM

Surfing the superhighway

How to survive and prosper on the information superhighway

Wrist-mounted televisions, computers and telephones, fridges that will notice when we are out of milk and tell the car to buy some on the way home — this is the digital future. Nicholas Negroponte, director of MIT's Media Laboratory in Boston, will guide Times readers through the technological maze in a fascinating forum on the digital revolution and its impact on our lives to be held in London on Thursday, April 6.

The forum, which marks the publication of Professor Negroponte's latest book, *Being Digital* (Hodder & Stoughton, £12.99), will offer readers an insider's view of what it is like to live in a digital world, with universal communication available to all at the touch of a control. Professor Negroponte's talk will be followed by questions.

Chaired by John Diamond, the *Times*'s computer guru and columnist, the forum will be held at the Institute of Education, 20 Bedford Way, London WC1, at 7.30pm.

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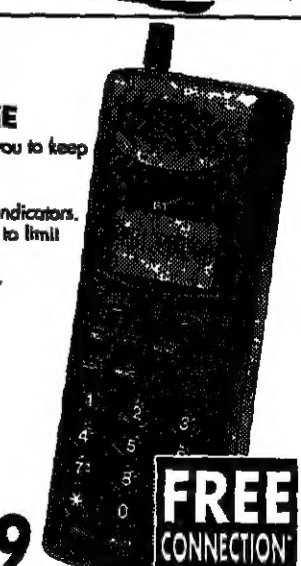
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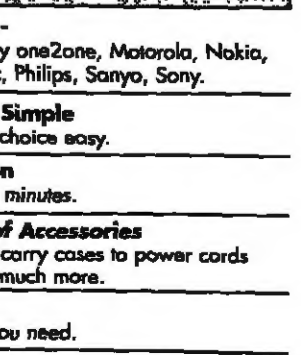
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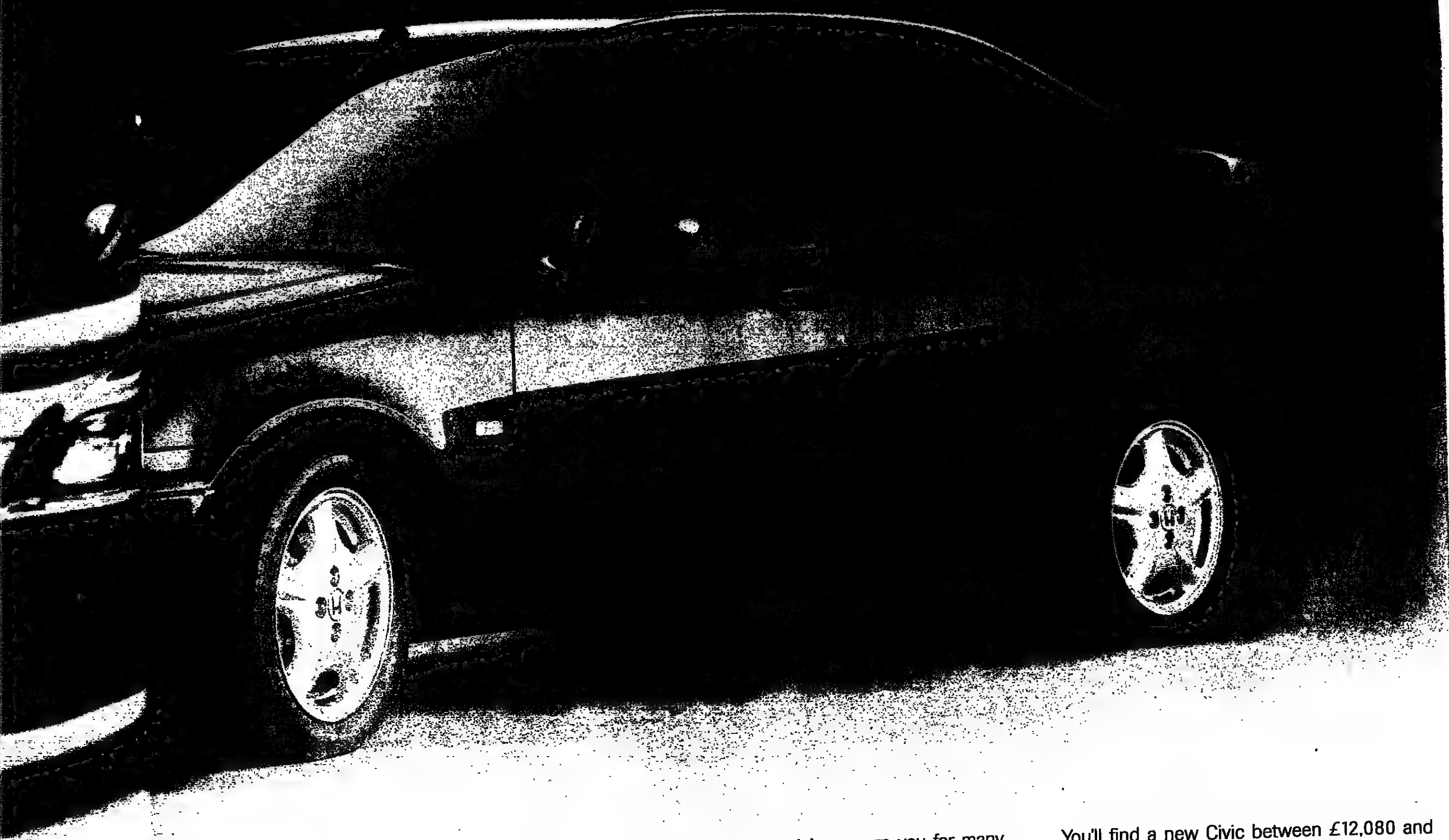
These are part and parcel of every model, some thing other cars in this class just can't lay claim to.

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required by the American Government. (These standards aren't actually required until 1997, but the new Civic meets them at this very minute.)

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Seven EU states abolish internal border controls

A EUROPEAN go-as-you-please zone will take effect tomorrow as seven European Union countries sweep away their internal frontier controls.

Flights between Paris, Madrid, Frankfurt and Lisbon will be classified as domestic, enabling businessmen and tourists to travel between their countries without passports, immigration checks or any other frontier formality.

Under the terms of the 1985 Schengen accord, France, Germany, Spain, Portugal and the Benelux countries agreed to abolish internal border controls while erecting a tough external frontier designed to keep out illegal immigrants, drug traffickers and criminals.

Extra police have been recruited to monitor the external frontier. In addition, a new computer database, known as the Schengen Information System, based in Strasbourg, is in place to help the seven states to check people crossing Europe's external border. Thousands of computer terminals have been linked to the databank, which contains information from the seven countries, enabling the police to check anything from drugs trafficking to car theft.

Italy and Greece have signed up to the accord, named after the Luxembourg village where the agreement was signed, but they will not be able to join until their software is compatible with Strasbourg's. Austria has been given observer status and expects to join this year. Denmark, Sweden and Fin-

■ Flights in "Schengenland" will be classed as domestic from tomorrow. But, Michael Dynes reports, the promise of trouble-free travel is likely to prove illusory

land have also expressed interest. Ireland would like to join, but has been deterred by Britain's threat to erect tough frontier controls between the two countries if Dublin goes ahead.

The promise of trouble-free travel within "Schengenland" is likely to prove illusory. The police in the seven countries will still be able to demand proof of identity, providing they do not do so at frontiers. Moreover, all EU members are still arguing over the creation of the external frontier needed to make the abolition of internal frontiers feasible.

A draft external frontiers convention was agreed by the Union in 1991, but it was not signed because Spain insisted that Gibraltar should remain outside the external frontier, despite its historic relationship with Britain.

The draft convention provides for the drawing up of a comprehensive list of countries whose citizens would have to get a visa before entering any member state of the EU; a list of known drug traffickers, terrorists and criminals; and the redesign of airports to ensure that domestic and external arrivals are effectively separated.

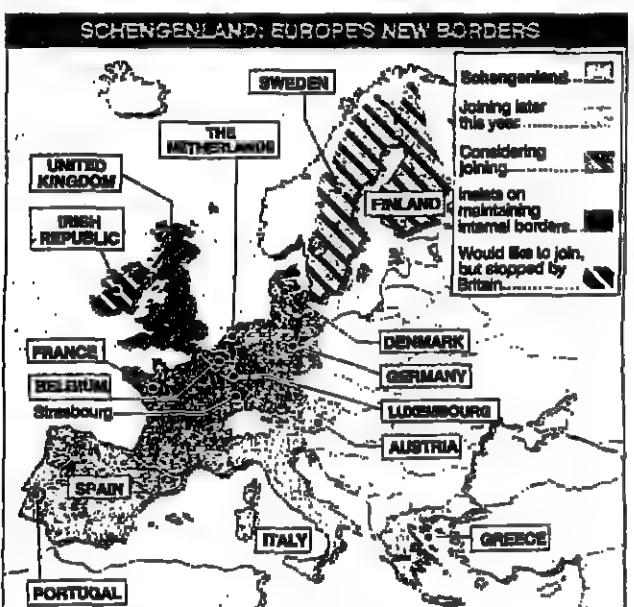
hardline Interior Minister, has expressed fears that the abolition of internal border controls will be fraught with difficulty. He has recruited an extra 6,200 officials to police France's external frontier and has insisted on a three-month trial period in which internal borders will be kept until the external frontier is ready.

Similarly, Helmut Kohl, the German Chancellor, who is anxious about illegal immigration, has boosted external controls along Germany's Polish-Czech border, where it can often take up to 20 hours to complete border formalities. The police will also intensify their random checks away from border posts.

Airports within "Schengenland" will still have to separate external and internal flights. Arrivals will, however, also have to be divided into Schengen and non-Schengen nations. Many airports have not yet completed that process, which will have affect procedures elsewhere. Consequently, confusion is likely and passengers have been advised to carry their passports.

Overshadowing the Schengen experiment is Britain's dispute with the European Commission over the maintenance of its internal frontier controls. A directive requiring the abolition of all frontier formalities is expected this year. It must, however, be approved by the Council of Ministers where Britain has a veto. Only a decision by the European Court of Justice could force Britain to back down. Such coercion would be likely to do irreparable damage to the relationship between Britain and its EU partners.

Paris: French custom officers last night reported that they had seized more than three tonnes of cannabis resin hidden on board a Dutch trawler. The officials said that the action was intended to demonstrate that Paris would remain vigilant in policing its borders for illegal drug shipments. (Reuters)



Tribal clashes break out in Burundi

Bujumbura: Gunfights between Tutsi and Hutu tribesmen broke out in the industrial area of Bujumbura, the capital of Burundi, yesterday as France appeared ready to evacuate at least some of its nationals from the Central African country.

In a separate incident police shot dead a lorry driver who did not stop at a checkpoint near the central bank. (Reuters)

Somalia 'better'

Nairobi: The situation in Mogadishu has improved dramatically since United Nations forces left, according to Sigurd Illing, the European Union's special envoy to Somalia. (Reuters)

Corsica arrests

Ajaccio: Police detained 19 pro-separatist students who occupied local government and took officials hostage on the French island of Corsica. Two students were injured in clashes. (Reuters)

Pizza joint

Hamilton: A pizza delivery man working in this New Jersey town was arrested for selling marijuana on his pizza runs. A special order was a code for the drug. US police said. (Reuters)

Three hanged

Singapore: A Ghanaian, a Malaysian and a Singaporean were hanged here for drug offences, taking the number of people executed so far under the city-state's strict drug laws to 105. (Reuters)

Ocean deep

Tokyo: An unmanned Japanese ocean probe yesterday reached the deepest place on earth, an area of the Marianas Trench in the Pacific Ocean. The probe, Kaiko, plumed

Bombay changes name to break free from colonial ties

FROM CHRISTOPHER THOMAS IN DELHI

BOMBAY will officially be known as Mumbai from May 1, ridding India's commercial capital of its centuries-old colonial name, derived from the Portuguese *bombaim*, meaning "good harbour".

The decision was announced by Pramod Navalkar, the Culture Minister of the newly elected extremist Hindu Maharashtra state government. Mumbai comes from Mumba, the patron goddess of the Kolis, or fisherfolk, who were the original inhabitants of several small islands that grew into India's most crowded city.

The name Bombay is used by English speakers. In Hindi, the city is called *Bambai*, and in Gujarati and Marathi it has been Mumbai for as long as anybody can remember. The Bombay High Court decreed last October that Hindi-speakers should also revert to Mumbai, which was adopted as official state policy.

The state government said Delhi was being informed of the change as a courtesy. Technically, the Indian Government's permission is required: it has twice refused it.

on the grounds that the switch would be expensive and confusing. This time, the state government intends to go ahead whatever Delhi says.

It announced that two other cities would also get new names: Aurangabad becomes Shambhajnagar and Osmanabad changes to Dharashiv. The new names come from Marathi, the language of Maharashtra state, formed along linguistic lines in 1960.

Many Indian cities have changed their names over the years to promote local identity and language. Benares became Varanasi, Baroda reverted to Vadodara, Poona to Pune, Cawnpore became Kanpur and Trivandrum has the official jawbreaker of Thiruvananthapuram. The changes are a way for people to assert their Indianness "by getting rid of the colonial legacy", according to Sushila Singh, a Bombay social activist.

However, Shobha De, a popular author, said she did not care if Bombay were called "Pumpkin or anything else", adding: "Bombay will remain Bombay. It is the spirit of Bombay that interests me, not an arbitrary change of name."



Muslims queue outside the Haji Ali mosque in Bombay.

Royal tour deemed a huge success

FROM ALAN HAMILTON IN DURBAN

BRITAIN'S halhearted support for Commonwealth sanctions during the last years of apartheid does not seem to have dampened South Africans' fondness for the old country.

British investment, at more than £10 billion, accounts for 35 per cent of all the foreign money in the country, and is growing at 15 per cent a year. Britain has overtaken Germany and America to become South Africa's biggest trading partner.

The Queen saw some of that investment yesterday when she opened a factory at Rosslyn, near Pretoria, to assemble Land-Rovers sent out in kit form from Solihull. Sales of all Land-Rover models in the country have doubled in the past year. The Queen showed an animated interest in the production line, but she did after all perform wartime service as a motor mechanic in the Auxiliary Territorial Service, and is well versed in what goes on under the bonnet.

Judging the royal visit a resounding success, Douglas Hurd, who is accompanying the Queen, said that her return after 48 years had been



School children defy rain yesterday to greet the Queen at Vukuzakhe high school in Umlazi, near Durban

"a powerful piece of symbolism. It shows you value most what you have lost and found, rather than what you have had all the time." The Foreign Secretary told the South Africans. Britain needed to reassess its attitude to the Commonwealth now that the long argument with South

Africa was over, Mr Hurd said.

He added that the Commonwealth's role in helping South Africa's transition to democracy had shown that the organisation could play an important and constructive role in encouraging good governance in its 50 member

states. Protests during the royal tour have been relatively few and muted. Afrikaners complain that the Queen did not visit their traditional capital, Bloemfontein. The Cape's Coloureds and Durban's big Indian population, expressed dissatisfaction at the Queen's programme which included

ample contact with blacks and whites, but little in between. The strangest protest was from an African National Congress splinter group which demanded the return of the First Star of Africa, the principal segment of the Cullinan diamond given to Edward VII by the Transvaal.

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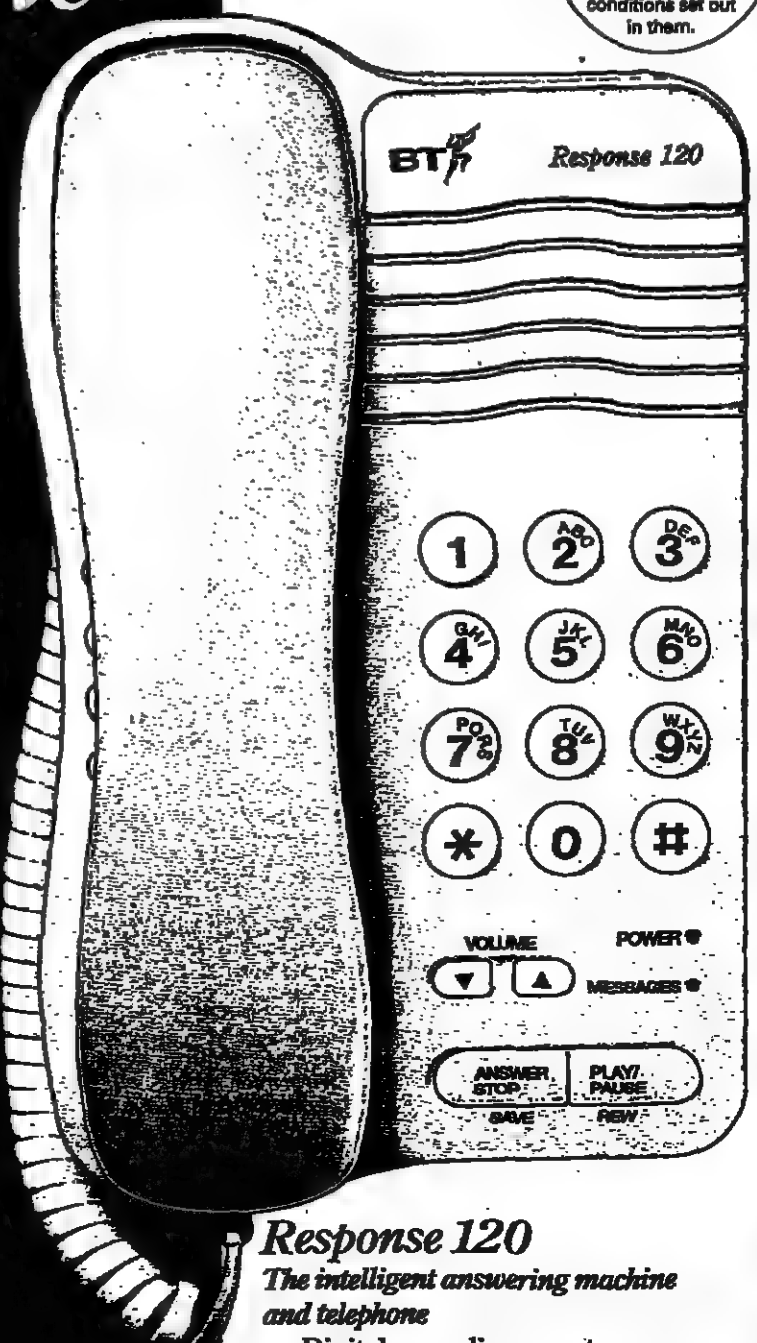
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The pressure for a first in science

Jeremy Laurance on the race to make an Aids breakthrough

THE MEN in white coats have red faces again. Allegations that the world's first Aids victim, a young British male thought to be the original "patient zero", never in fact had the disease, will cause a tremor far beyond the scientific community.

A swapped test tube, a transposed column of figures — deliberate or not — could alter the course of medical history. It shakes our faith in the pillars of scientific knowledge.

If David Carr, the young apprentice printer who died mysteriously in 1959, was not a victim of Aids, as claimed, researchers will have to reassess their theories about the origins of the condition. Tissue samples from Mr Carr are said to have been "mixed up" in a Manchester laboratory with samples from a man who died of an Aids-related disease in 1990. The Carr case, which received worldwide publicity after its publication in the *Lancet* in 1990, cast doubt on theories that the origin of Aids lay with the African green monkey. Those theories may now warrant re-examination.

Research on Aids has been dogged by controversy in the ten years since it leapt to public notice. It was a new fatal disease that, uniquely, attacked the young and glamorous and was spread through sex. The combination guaranteed huge publicity — and huge funding to find a cure.

Almost overnight it turned a hole-in-the-corner medical specialty — genitourinary medicine — into an heroic enterprise and turned the unremarkable venereal disease clinic doctors who ran it into media celebrities.

In such a fevered atmosphere, with researchers vying for grants and career advancement, the pressure for results can easily result in premature publication, exaggeration of findings and pure fraud. A celebrated row over who first discovered the Aids virus, HIV, blew up after Dr Robert Gallo of the US National Cancer Institute claimed to have beaten a French team led by Luc Montagnier at the Pasteur Institute in Paris.

Dr Gallo later admitted that the French virus, which Montagnier had lent him, had somehow found its way into the test tube from which he claimed to have isolated his own version. He was investigated for scientific misconduct but the charges were dropped.

Controversy continues over claims by Professor Peter Duesberg, a virologist at the University of California, that HIV is not the cause of Aids at all. A principal ground for the claim is the long period between infection with the virus and development of full-blown Aids, which suggests that other factors may contribute to the development of the disease.

Duesberg's views have been condemned by his critics, including Sir John Maddox, the distinguished editor of the scientific journal *Nature*, who fear they will divert research effort from finding ways of dealing with HIV.

While acknowledging the value of heterodox opinions in science, Sir John questioned whether "those who offer false hope in the face of all the evidence can be held to be acting ethically".

The pressure to publish has tripped up more famous names than Gallo or Duesberg. William McBride, the Australian doctor who first alerted the world to the dangers of Thalidomide, was found guilty of scientific fraud two years ago over his experiments with another drug, Debendox.

Debendox, like Thalidomide, was an anti-morning sickness pill, which Dr McBride claimed caused similar defects in unborn babies. However, after one of the longest inquiries in medical history, a tribunal in Sydney found he had misrepresented results of his experiments.

Dr McBride admitted he had taken short cuts, but claimed he was the victim of a conspiracy by the drug companies who had a vested interest in keeping their drugs on the market.

With a fatal disease, it is inevitable that the pressure to find a cure will cause researchers, and even the giants of medicine, to succumb to the temptation to cut corners.

In a new book on Louis Pasteur, the father of bacteriology and discoverer of the rabies vaccine, Professor Gerry Gelson of Princeton University alleges that when Pasteur first famously used his vaccine on patients he had not carried out as many animal experiments as he had claimed.

Roy Porter, Professor of Medical History at the Wellcome Institute, says: "It is easy to say that this was fraudulent. But Pasteur was put in an impossible position. He had people who had been bitten by rabid dogs, who had heard about his experiments, begging for the vaccine. What could he do if they had been bitten by a rabid dog they would die anyway?"

It is impossible, in Professor Porter's view, to lay down hard and fast rules about what is ethical in medicine. Every case is different, he says, and half the art of doctoring is to provide reassurance, even if this means telling white lies.

BUT IT is the good name of science that is at stake. It is impossible to say how widespread scientific fraud is, but in America, the authorities considered it sufficiently serious to set up the Office of Research Integrity in 1989 which mounts detailed investigations in response to whistle-blowers in laboratories. Similar agencies have been established in other countries.

Whether there would be enough work for a similar body in the UK is hard to judge but because 25,000 medical journals are published around the world, the opportunities for fraud are extensive.

A recent survey, by Dr Stephen Lock, former editor of the *British Medical Journal*, of 79 medical professors and journal editors yielded 41 examples of scientific misconduct. They are unlikely to be the last.

The end of the world, says Matt Ridley, is not as nigh as some environmentalists like to pretend

Beware of the greens who cry wolf

The past month has seen the coincidental publication of three books critical of environmentalists. Richard North's *Life on a Modern Planet*, Wilfred Beckerman's *Small is Stupid and my own Down to Earth* have been seen in some quarters almost as a concerted backlash. We have become the anti-greens.

This is horribly misleading. I think of myself as an environmentalist, and from North's and Beckerman's books, it is clear that they do too. That is why we share a revulsion at the hijacking of environmental issues by extremists who seem prepared to tell alarming fibs to get attention and market share in the competitive world of green charity. We also believe that regulation, state interference and centralisation are often the problem, not the solution; and that growth and technology are often the solution, not the problem.

Consider just a few of the dire predictions of environmentalists that have not come true. In 1968, Paul Ehrlich, a still respected eco-guru at Stanford University, wrote: "The fight to feed humanity is over. In the 1970s, the world will undergo famines — hundreds of millions of people are going to starve to death." Sixty-five million Americans would die of famine in the 1980s, he predicted. Per capita food production has risen; famine deaths have fallen steadily and those that do occur are caused by wars, not population pressure. Did Mr Ehrlich apologise?

In 1974, virtually everybody except the journalist Norman Macrae said

the world would effectively run out of oil before the end of the century. Proven reserves of oil are now larger than ever before. It will run out one day, but fleets of alternative fuels are queuing up to take its place. Did anybody say they were wrong?

In 1976, three books predicted an imminent ice age and demanded immediate action to stave it off. The author of one, Stephen Schneider, has become a leading apocalyptic on global warming instead. He said in an unguarded moment: "Scientists should consider stretching the truth to get some broad-based support, to capture the public's imagination... we have to offer up scary scenarios, make simplified dramatic statements, and make little mention of any doubts we might have." He did not say: "I was wrong..."

In 1983, virtually everybody agreed that one-third of the trees in German forests were "dying" from acid rain. Not only did far fewer die, but a ten-year American study concluded that acid rain was not even at the top of the list of problems facing forests. Did the greens admit their error? These are just the global scares we

have been subjected to. On local ones, the greens have an even worse track record. The seals of the North Sea were supposed to be dying from pollution in 1989: they were actually suffering from a viral epidemic aided by high population density. The Braer oil spill last year was supposed to do irreparable damage to the wildlife of Shetland. Richard North and I were the only journalists to predict (correctly) that the effect would be minimal.

Greens say that it takes extreme statements to wake the public. Yet on none of the issues I have mentioned did green organisations begin the debate. They merely leapt on to bandwagons once they were moving. The truth is that the hypebole is needed in a market competition for funds. Whether the issue is crime, climate or ivory, moderate organisations have repeatedly seen their more mendacious rivals collect large windfalls of attention and donations, and have turned radical in response.

Scientists are also herd animals. On global warming, the attempt to

silence doubters has reached such a point that no less a figure than the Vice-President of the United States, Al Gore, tried personally to discredit a global-warming sceptic, Fred Singer, by calling a television network and suggesting that Mr Singer was in the pay of industry and should not be interviewed. The network, to its credit, merely reported Mr Gore's intervention and interviewed Mr Singer anyway.

Do the means matter if the end is virtuous? Alarmists appeal to the "precautionary principle" — better safe than sorry. Yet, as Beckerman argues, if we always acted to avoid the slightest risk, however uncertain, we would never get out of bed.

It is the imperviousness of the greens to such arguments that leads some to suspect them of the hidden motive to reinvent socialism. I think that, like all conspiracy theories, this is overdone, but it is nonetheless noticeable how reluctant most greens are even to consider environmental solutions that change the incentives for private individuals rather than impose government regulations. Empire-building bureaucrats love

greens for this reason: they can rely on them to send work their way.

The nationalisation of wildlife in Africa, for instance, is dressed up as a protective measure. It is demonstrably the reverse, because while it gives jobs to the bureaucracy it removes incentives for local people to tolerate wildlife. Kenya banned hunting (ie, nationalised game) in 1976; since then it has lost 85 per cent of its elephants. Zimbabwe privatised wildlife in 1975; since then land devoted to wildlife has almost doubled in acreage.

It is the same in this country. It is the Government that has made a mess of things by subsidising farmers, foresters and old, heavy industry, and by regulations that stifle innovation. Even by criminalising pollution in the 1960s, the Government effectively made it free (so long as each polluter did not exceed a certain threshold). Had it instead enabled the civil law to work cheaply so that we could sue polluters, or had it created a market in expensive pollution quotas, water and air pollution would be far less today than they are.

I am an environmentalist. There are issues I wish we would take more seriously, such as asthma, plastic litter, the decline of frogs and the loss of untouched rainforest to government-encouraged development. But I wish greens and lawmakers would try to devise real solutions that work with the grain of human nature, rather than whizzing round the world to glamorous conferences crying wolf about impending apocalypse.

Milk and water communities

No amount of political jargon can replace the local institutions that central government has destroyed

I cannot tell a lie. I can remember the "horse-drawn pinta". I remember it in a glorious suburban Fifties haze. An old mongrel of a quadruped named Rex came clomping down the street, metal crates clinking behind him. At the brow of the incline boys would goad him into a brief, terrifying trot. We ran up in Startrite sandals and Hovis complexions to press lumps of sugar between Rex's disgusting teeth. Or would come the housewives. "Four pints today, Mr Davies, and" — this being almost country — "would that be a pleasant under the seat?" On Saturdays we visited the stables, cleaned the brasses and recited "He's cheaper to run than a lorry." They were not fools at the Express Dairy.

They knew milk was a liquid community. Those joyful smells and clanking churns were banned as unhygienic. Milk bottles became political objects. In the Sixties they were Molotov cocktails. Lady Lewisham said she could tell Labour voters by the unwashed bottles on the step. Lady Thatcher alleged to have "snatched" the tiny gilt bottles from the lips of panting children. The horse-drawn pinta became a warm sepia memory, fit for a Denis Potter play or a Bejamen poem. "It's strange that those we miss the most/ Are those we look for granted."

Yesterday I saw that doorstep delivery is following the good horse Rex into the land of costume drama. The end of the nationalised Milk Marketing Board has stripped milk of its hallowed place in the British diet. It has been pasteurised, skimmed, quotaed, regulated and UHT-ed. Home delivery is down to 15 per cent nationwide and declining. Housewives no longer come out to greet the milkman. The stables have become a garage and the blacksmith a garden centre. We get our milk from the supermarket like any other fluid.

Yet I also read last week that a replacement is on the way. The boffins of political theory have come up with the latest buzz: a no less pasteurised, plasticated, packaged

and tubercular-tested elixir called "communitarianism". Strange men with strange names are infiltrating the nation's chat shows preaching its virtues. Labour's Tony Blair murmurs the word in his bath, his brain permanently on line to a fax lexicon. Paddy Ashdown predictably claims to have discovered it first. (Mr Ashdown discovers new words like Leif the Viking discovered America — he does not know quite what to do with them next.)

Of all the ideas plucked out of the air by British politicians none is more cynical than communitarianism. It is astonishingly unoriginal. From Burke's "little platoons" through Cobden, Tocqueville and Mill to the early municipal co-operators, English political theorists have claimed respect for community institutions as a bulwark against the power of the State. The cry has since been taken up philosophically by Hayek and Oakeshott, administratively by Scandinavian "free

communes", environmentally by Jane Jacobs and "her defensible space". It is championed by the Council of Europe's charter of local democracy, and even by Brussels's new-found enthusiasm for subsidiarity. There is nothing new about community.

In the form recently articulated by the American academic, Amitai Etzioni, "communitarianism" is embarrassingly naive. It claims that neighbourhoods and the institutions built on them are crucial to our sense of group security and personal worth. Mr Etzioni's problem is that to make such phrases concrete requires a descent into apparent banality. Can personal worth really be about parish councils, Scouts, Lord Mayors?

The answer is yes for the majority of citizens. These groups enable a community to be more than just a sum of its individual citizens. They represent Tocqueville's "habit of association", without which democracy atrophies in the face of tyranny. They are what gives citizenship its purchase. Mr Etzioni's communitarianism means "Do not throw your rubbish



Doorstep deliveries, latest victim of the supermarket spread

out of the window" or "Drive slowly, children playing". This is hardly the stuff of a New Age creed. But it is true. Lady Thatcher derided all this as closet socialism. She never said society did not exist, but she did say it was composed of individuals and families, not collectives. Her programme was to "empower" citizens as consumers, as service-users, but disempower them as participants in a devolved democracy.

John Major and Kenneth Clarke agree. Their aversion to "communitarianism" was glaringly evident last week in their refusal to let school governors (even of "self-governing" grant-maintained schools) raise council tax to give their teachers a pay rise. This was despite the fact that the rise had been conceded not by the governors but by the Cabinet on their behalf.

For good measure Mr Major added on Thursday that the governors should not sack any teachers to make up the difference. His next education edict will be that four minus two equals four. Governors in Warwickshire have understandably said that if Mr Major insists on telling them their job, he might as well come and do it himself.

As for Mr Blair, he celebrated "communitarianism" week with a numbing fusillade of platitudes in his *Spectator* lecture. Duty was the cornerstone of community... community was the cornerstone of liberty... liberty was the cornerstone of society... society was the cornerstone of duty... duty was... This is a tired politician's classic default mode. Mr Blair uses abstract nouns as a wine writer uses adjectives.

filling space with a frothy concoction devoid of meaning. If Labour believes in community it must say what it intends for local democracy, for regionalism, proportional representation at local elections, local taxation, the police, housing and health authorities. After 16 years of Opposition, Labour has still not done so. Will it ever? I doubt it. It is still the centrist party that left power in 1979.

If reviving "community" means anything at all, it means restoring the self-governing, self-disciplined, self-energising features of community institutions. All else is waffle. A community institution is a school, a college, a hospital, a police station, a housing estate, an old people's home. It is something solid, real, full of living, breathing, choosing citizens. In the past decade and a half these institutions have all fallen into the hands of central government agencies or private contractors. To use the jargon they have been de-communitarianised. This has been done for worthy reasons, in the name of efficiency, fiscal equality and standardisation. But it has been done.

Nobody in British politics has a concrete programme to reverse this trend. The reason is that real communitarianism requires pain and risk. Ministers must lose power, MPs lose status and the Treasury lose a measure of control. No wielder of power willingly surrenders it, least of all to subordinate communities. The British State is so pervasive in its influence that civic pride or other forms of community enterprise cannot flourish without its support. At a Cabinet meeting last month, the Treasury Minister Anthony Nelson dismissively threw out a paper suggesting the midwest of revival of local government partnership in London. To Mr Nelson the Treasury runs London: community can get stuffed.

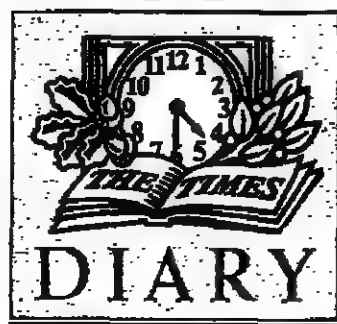
Whenever a British politician uses the word community, I laugh. They simply do not believe in it. The present Cabinet was born under the star of Lady Thatcher's hero, Friedrich von Hayek, believing him to be contemptuous of traditional institutions. Not so, Hayek wrote: "The rationalist who despises all institutions and customs which have not been consciously designed, thus becomes the destroyer of the civilisation built upon them." You can take away the houses, the cars, the doorstep pint and the sense of community they embodied. But an abstract noun is no replacement.

Hail, Maggie

A MOST stirring party political broadcast, which was never screened, has been unearthed. It could justly be dubbed *Thatcher's Greatest Hits* — for her ladyship is the one and only star. The film was made for the 1983 election campaign and recently discovered by Liverpool University's political department. It was never used at the time because the then Prime Minister's colleagues protested at its unashamedly presidential tone.

Made under the direction of Thatcher's spin-doctor, Sir Tim Bell, the film opens with a shot of Alderman Robert's corner store in Grantham. It moves on to her early career, the birth of the twins and her entry into the Commons. "At 50 she became leader. She had not wanted it, but her party did," intones the presenter.

The eulogy continues with shots of Thatcher handbagging her European counterparts: Thatcher winning the Falklands War; Thatcher and the Iranian Embassy siege; Thatcher hobnobbing with fellow world leaders Ronnie Reagan and Helmut Kohl. It



again due to one woman." Meanwhile, Bell remains extremely proud of the film and tells friends — "so was she".

● Cutting a dapper figure at Lord Wendenfeld's palatial Chelsea apartment for the launch of Simon Heffer's biography of Thomas Carlyle on Thursday night was Neil Hamilton, the sacked but still ebullient ex-Corporate Affairs Minister. He, too, is writing a new book, which he describes as "a dictionary of the politically incorrect and also an autobiography". It will, he says, cover all his enthusiasms.

the atmosphere to the sale of organs for use in surgery.

In the frame

A CRICKET ball, believed to be the oldest in the world, has pitched up in the wall of a 16th-century house. It predates by decades a ball previously believed to have been the most ancient in existence — one smashed by William Ward for 278 at Lord's in 1820.

The battered object was discovered by Sanniva Harte in the course of renovating her house in Lewes, Sussex. It was hidden in the timber frame of the building, along with a pair of late 18th-century shoes, by the antiquarian Thomas Wolgar and has been dated as originating from 1775-80.

Stephen Green, curator of the Lord's museum, is still deciding whether to bid for the ball when it comes up for auction at Christie's later this year. "If it is definitely a cricket ball, I would like to know of an older one. Balls don't seem to survive in the same way as bats."

Exit, Ingham

BLOCKED from taking a seat on

Sir Bernard Ingham is now free to expound his views on censorship. Index, the body campaigning for free speech, invited Lady Thatcher's grizzly ex-press secretary to the premiere next month of Roman Polanski's *Death and the Maiden*. "I am afraid I shall not be attending," replied Ingham tartly. "I believe we could do with more rather than less censorship."

Empty chair

MEMBERS of Trinity College, Dublin, dining club are mourning

OOH, I DON'T HALF FANCY THAT STEPHEN LITTLECHILD



the fall of Rupert Pennant-Rea, a regular gazer at his table. They had hoped he would attend a lecture tonight by the former Taoiseach, Albert Reynolds, on *Ireland: The Peace Process*. "We are sorry that he has not replied to our invitation," says a spokeswoman.

The ex-deputy governor of the Bank of England may be afraid of reviving romantic memories. It was at Trinity College, Dublin, where his eyes first met those of fellow student Mary Ellen Synon.

Out of shot

MANY OF our least camera-shy celebrities packed the National Portrait Gallery to fete the photographer Richard Avedon at the opening of his exhibition *Evidence 1944-94*. Twiggy was unusual among the stars in having her photograph on the wall, but some interesting excuses were proffered by those who somehow hadn't quite been asked to pose.

Lady Helen Taylor obviously didn't want to. "No, he is not going to take my picture," she insisted. Ken Follet modestly explained that he wasn't famous enough. Simon Le Bon unconvincedly claimed that he wouldn't be able to afford



In camera: Avedon with Twiggy... and Twiggy

Joan Collins, who can usually be relied on to totter into shot as soon as a Box Browne comes out. "I went to him when I was 19 and said 'Mr Avedon, please will you

of yours." He told me to come back when I was older. But I didn't. Once rejected, I never go back."



THE SACK RACE

Competitive job-shedding does not always pay off

Tony Blair is out to steal not just the Conservatives' clothes, but also their votes. Encouraging his party's think tank to set up a commission on British business is a ploy designed to appeal to the disgruntled of middle England. As politicians in both parties realise, the disgruntlement arises above all from job insecurity. Each time another announcement of huge job cuts is made — this week, 2,200 at Northern Foods, 1,745 at Midland Bank and up to 1,000 at Powergen — voters shudder. In recent years it has been commonly believed that there is no alternative to job-shedding. Labour's new commission could do worse than question this wisdom.

There are dozens of reasons why jobs have become less secure. Advances in information technology allow computers to cut out whole swathes of administrative and clerical staff. Increased competition — both from the European single market and global trade liberalisation — forces companies to cut costs. Because consumers have become more demanding, companies have to innovate faster. Because taxpayers have become more restive, the search for savings has hit the public sector too. "Change" has been the mantra of management.

Most companies, after sacking thousands of employees, have seen the resulting benefits appear directly on the bottom line of their accounts. In the short term, sacking people has been the easiest way to increase profits: a quick look at the electricity companies, post-privatisation, shows how much money can be released. Employers are beginning to question, however, whether more "delayering" and "downsizing" will bring good or ill.

The loss of layers of middle management has not been an unqualified boon. Although some were a brake on progress, others were an unappreciated lubricant between top managers and the shopfloor, knowing how to communicate with both ends of the company. Moreover, their existence provided an incentive for those nearer the bottom to work hard in order to win

promotion. Now that the career ladder has gaps where there used to be rungs, some workers are beginning to question whether they want the insecurity that seems to come with managerial jobs. And top managers will soon discover that they have destroyed the training ground for their future high-level colleagues.

What cannot be precisely measured in a profit and loss account is the effect of job insecurity on morale. The survivors of the last few redundancy rounds are not only overworked; they are fearful for the future. This doubled stress may not bode well for their performance. Nor will decline in loyalty to the organisation. If the employer cannot offer reasonable job security, why should the employee offer more than a "job's worth" attitude in return? Increasingly fewer numbers of people will volunteer to do more than they need, to work evenings or weekends, unless the reward is clear and immediate. And no longer will clever young employees be prepared to serve time in boring jobs for several years in the expectation of a steadily rising career and salary for the rest of their working life.

Shareholders should therefore start to question whether the round of job cuts that attends a company's year-end results is always something to be applauded. More companies may decide to go the way of Rover: there job security is guaranteed, provided that the employee is prepared to accept absolutely any position. White-collar workers are asked to don overalls and retrain as fitters, for instance.

This is the sort of approach that should appeal to New Labour, in its search for a message that will win votes in middle England. Rover's methods cannot be emulated by all companies. But they ensure the flexibility essential for an employer to remain competitive. They also protect risk-averse employees and have the added public benefit of not throwing people into unemployment at a cost to the taxpayer. Mr Blair's new commission might do well to turn conventional thinking on jobs on its head.

BOX CLEVER

Tyson has read Tolstoy — and is ready for the ring

"Iron Mike" or Renaissance Man? This is a question that boxing enthusiasts will be asking today as Mike Tyson walks free from prison. Boxers are not primarily men of words, or even of letters, and Tyson was no exception when he was jailed in 1992 for the rape of Desiree Washington. Three years later, we are told that he is better read than most Oxford undergraduates. That is not all: we are told also that Tyson is thoughtful, peaceable and Muslim. His reinvention is complete, and it could only have happened in boxing.

History shows that a spell in prison has often helped great men to collect their thoughts: Bunyan, Cervantes, Genet and Nehru are but a few examples. Although Tyson is perhaps not quite of this stable, his Prison Years are said to have nourished his mind on Voltaire, Alexandre Dumas, Machiavelli and Maya Angelou. Sources close to the *nouveau-intellectuel* boxer have disclosed that he has even read *War and Peace*, and while cynics have asked whether that means all three words of it, they would not dare to make such an observation within reach of a Tyson right hook.

Tyson's impressive reading list may provoke many to snigger — and his jailhouse failure to pass the high school diploma examination should strengthen the hand of those Doubting Thomases who suggest that the Tostoy business was just a ploy to secure early release from prison. Equally, there must be many who pray fervently that Tyson has not, in fact, read anything in prison, and that his menace remains unaffected by the emasculating

influence of the classics of the Western literary canon.

Even for those whose tongues are firmly in their gumshields, there is a forceful paradox embedded in all this. The relation between boxing and literature is as fecund as that of any other sport — perhaps more so. Boxing is an elemental art which has always straddled the frontier between the moral and the sinful. It has bewitched such writers as George Bernard Shaw (who maintained a correspondence with the world heavyweight champion Gene Tunney), Ernest Hemingway, Budd Schulberg, Norman Mailer, Vernon Scannel and Joyce Carol Oates.

Mailer, the sport's most celebrated observer, has written that a fight in the ring is "a kind of narrative form" in which boxers "debate with their bodies". Oates, in whose own wispy frailty perhaps lies the key to her fascination with the sport, argues that since boxers are the very antithesis of writers they also make compelling counterparts. In her moving book, *On Boxing*, published nearly a decade ago, she observes that "boxing is the most tragic of all sports because, more than any other human activity, it consumes the very excellence it displays".

Tyson's excellence, too, was consumed by the pressures of the sport; and these were only compounded by his own amoral nature and a violent childhood of crime and arrest. Just as he deserved the acclaim for his prowess in the ring, he deserved also to go to jail. Tyson is now back with us, more lithe, at least a little more literate, and, we trust, no less lethal as a result.

MOTHER'S DAYS

When expenditure and devotion fail to meet

Tomorrow morning at a discouragingly early hour, tiny feet will negotiate staircases all over Britain, bearing trays of burnt toast, lukewarm tea and Mother's Day cards, ranging from abstract creations of crumpled-up pink pan-cleaners to staidly conventional scarlet velvet trophies of affection. This ceremony, a mongrel offspring of Christian thanks to the Mother Church in spring and an old American commercial wheeze, remains, in essence, one which works by reversing accepted norms, like officers serving dinner to the rank-and-file once a year at regimental dinners or surgeons in hospital carving the turkey for the nurses at Christmas.

The breakfast in bed and emphatic exhortations to "put your feet up, we'll do everything", only serve to underline that, for all the achievements of the feminist movement, the lion's share of household work still falls to mothers on the other 364 days of the year. Nonetheless, it remains fitting that a day motherhood should be celebrated with a day of its own. The relationship between mother and child has exerted a powerful hold over civilisation. It is a bond retaining, through all its vicissitudes, a romance and a spirituality which can all too abruptly fade from friendships or love affairs: "A mother is a mother still," wrote Coleridge, "The holiest thing alive."

But in its intensity, it is also violent, too easily trapped in the matrix of pure affection

or the seething rejection of Sylvia Plath's "Off, off, eely tentacle/There is nothing between us." The goddess Demeter loved her daughter Persephone so much that she blighted the earth with a barren winter to mark the girl's absence. Shakespeare in *Coriolanus* defined the central weakness of great men in the fact that, even in victory, they remained at the mercy of their mothers.

Both of these relationships were characterised by hints of coercion and guilt behind the love, elements well understood and exploited by the retailers of chocolates, flowers and toiletries who have hijacked Mother's Day in the industrialized world. This year, the commercial arm-twisting is more insistent than ever. Many stores have decided to direct their marketing to more expensive products — from designer clothes to trips to Paris — in the hope of persuading us that only exorbitant outlay will express devotion.

This pales into insignificance besides the commercial extortion practised on parents come Christmastime. But it can be a sore trial for anxious children. Fathers, elder siblings and other authoritative advisers on the form of the feast would do well to use the occasion to instil into youngsters that love is not best shown with material tributes, but through more spontaneous personal gestures and expressions of regard sustained beyond a single day. A mother, after all, is for life: not just for Sunday.

LETTERS TO THE EDITOR

1 Pennington Street, London E1 9XN Telephone 0171-782 5000

Compensation call for PoW medics

From Group Captain Alec Ingle

Sir, The letters (March 20) about the attempt to restore war widows' pensions will be appreciated by many Service families and the action of Lord Freyberg and others in the Lords is to be applauded. One can only hope that the guidance given by many senior peers, which stems mainly from personal experience of the events of 1939-45, will be accepted by the perhaps less well informed Members in the Commons.

There are several other injustices which still await rectification. The "protected personnel", those non-combatant doctors and medical orderlies who voluntarily stayed behind with the wounded prisoners under the terms of the Red Cross Convention, had a raw deal too.

Several attempts have been made to secure just treatment by the British Government over their pay, part of which was deducted while they were prisoners of war. In the past, these attempts have failed because the true facts of their situation have not been fully understood or have been obscured.

Service men and ex-servicemen have no channel of redress. The Ombudsman is specifically prevented by schedule 3, section 10a, of the Parliamentary Commissioner Act 1967 from considering complaints from them and, as a result, Whitehall can effectively block attempts to seek justice.

This special anniversary year is surely the time to review and correct these long-standing grievances and injustices. The Commons should generously accept the Lords amendment and also lift the prohibition placed on the Ombudsman by the 1967 Act — failing which, order an independent inquiry into all outstanding veterans' grievances. If this is not done statements by Ministers and others in government during the forthcoming celebrations will be both hollow and hypocritical.

Yours faithfully,

A. INGLE
(Prisoner No. 2917, Stalag Luft 3, 1942-45),
4 Aldwick Grange House,
Grange Court, Bognor Regis, Sussex,
March 20.

From Mr G. W. King

Sir, Having signed away the rights to repatriation of medical personnel in German and Italian prisoner of war camps, our Government deducted, arbitrarily, the money which they assumed the detaining power was supposed to pay to these men.

Privates in the Medical Corps received 2s 9d per day if they had qualified as nursing orderlies. The Germans were assumed to be paying them 30 marks per month which was deducted at the Red Cross agreed exchange rate of 15 marks to £1, nearly 50 per cent of their service pay. Many never received any payment from their detaining power, were not recognised as protected personnel and were not aware of the parsimony of their Government until quite recently.

Yours sincerely,

GRAHAM KING
(Prisoner No. 11550, Stalag 20a, 1940-January 1945; Stalag 2a, March-May 1945),
25 Shelley Avenue, Torquay, Devon,
March 20.

Honours uneven

From Mr Martin E. Simons

Sir, On March 24, 1990, you published a letter from me saying that of 40 people elected Fellows of the Royal Society none worked for industrial companies. Of the 40 new Fellows (report, March 23) only four work in industry. There appears also to have been diffusion of honours between more universities and research institutes.

It is vital to attract the best of scientific talent to industry and the Royal Society has a role to play to acknowledge outstanding research carried out within industrial companies, whose taxes incidentally help to pay for research at academic institutions.

Yours faithfully,

MARTIN E. SIMONS,
24 Grand Avenue, SW15,
March 23.

Crime and punishment

From Mr Richard C. Marshall

Sir, I was concerned to read (News in Brief, March 23) that a man has been convicted of obstructing the police because he flashed his headlights to warn other drivers of a speed trap. The implication is that the police, supported by the judiciary, regard the prevention of others breaking the law to be, in itself, against the law.

In the narrow context of speeding, it implies that slowing traffic down and reducing the dangers of excessive speed is not the intention of the police. It might possibly indicate that road signs warning that speed checks are in operation are themselves illegal. In a wider context, it suggests that one should not prevent a crime being committed, as prosecution is of greater importance than prevention.

Yours faithfully,

RICHARD C. MARSHALL,
84 Campbell Crescent,
East Grinstead, West Sussex.

Weekend Money letters, page 29

How West should help South Africa

From Sir John Hanson, Director-General of the British Council

Sir, Simon Jenkins argues that trade, not aid, is what South Africa needs ("Just leave Africa alone", March 22). But why need aid and trade be irreconcilable alternatives?

Throughout the long years of apartheid the British Council's work in South Africa focused wholly on the disadvantaged communities. Much of that work, largely in education — providing British scholarships for students, training teachers in rural areas — would be correctly described as aid. But it is precisely this type of investment in people, small-scale but immediate, that provides the condition for the sustainable development that South Africa is aiming to achieve.

In the new South Africa much of this work continues, but we are now able to make a broader contribution. Work in the arts is now possible and makes a distinctive contribution to community development.

Recent work the council has undertaken with the Market Theatre in Johannesburg and with Ngoma, a multicultural group of musicians working in the townships, is neither patronising nor irrelevant. The scheme we run on behalf of the British aid programme to encourage small British business to invest in South Africa will create real jobs in the economy.

Our evidence is that friendships made in the apartheid period with people in the disadvantaged communities have lasted and are in some cases developing into new forms of partnership.

Yours truly,

JOHN HANSON, Director-General,
The British Council,
10 Spring Gardens, SW1,
March 23.

From Ms Rosalind Goodrich

Sir, Simon Jenkins says that "the best way to help South Africa is to leave it alone". This is not what Christian Aid's partners in the country are saying. More than ever, they are asking for financial aid and other forms of assistance to continue the development work — usually small-scale projects with local impact — they were doing throughout the years of apartheid.

Recently a UN league table established that if white South Africa was treated as a separate country it would be the 24th wealthiest country in the world whereas black South Africa would rank 123rd in the same table.

Brussels regulations

From Lord Tebbit, CH

Sir, How quickly British Members of the European Parliament are contaminated by continental practices.

Mr Bryan Cassidy, MEP (letter, March 23), invites me to join him in launching a campaign of civil disobedience against Whitehall, town hall and county hall over-zealousness. Quite clearly he believes that unconditional laws should be disobeyed here in the way that they are in France, Spain, Greece and Italy.

The prediction I made was that people will not respect laws made without their consent and which cannot be changed by democratic means. That is the decrees issued by our masters in Brussels, such as those which compel British farmers to pour milk down the drains whilst our cheese and yoghurt-makers have to close factories because of a shortage of milk.

The British regulations from Whitehall and town hall which Mr Cassidy calls upon people to disobey may be bad, silly, or unnecessary, but democratically elected Members of Parliament and councillors have the power to alter or repeal them — provided, of course, that this does not conflict with the dictate of Brussels.

Mr Cassidy would be better em-

certainly we must try to ensure that the mistakes made in providing aid (usually with onerous conditions) to other countries in Africa are not repeated.

Yours faithfully,
ROSALIND GOODRICH
(Southern Africa Team),
Christian Aid,
PO Box 100, London SE1 7RT.

From Mr Geoffrey Lamb

Sir, Simon Jenkins attacks the World Bank for the role he thinks it will play in the new South Africa. Just for the record: the World Bank has no "donor budgets to use up" by "ramming indebtedness down South Africa's throat". (South Africa's GDP per head is too high to qualify for the bank's donor-financed International Development Association lending.)

As for Simon Jenkins's assertion that we have sent \$1 billion to South Africa since last April, this is equally nonsensical: the World Bank has yet to approve a single project, or lend South Africa a penny.

We are indeed prepared to help finance South Africa's development if — and only if — the South African Government wants us to. Meanwhile the World Bank has strongly supported the thrust of that Government's economic strategy, not least its determination to ensure that the South Africans themselves manage external assistance to ensure that outside help follows South African, not donor, priorities.

Yours sincerely,
GEOFFREY LAMB (Resident Representative, UK and Ireland),
The World Bank,
New Zealand House,
Haymarket, SW1.

From His Honour

Alan King-Hamilton, QC

Sir, "May we be spared talk of miracles", writes Simon Jenkins, "... it is no miracle, just politics". He was commenting on the Queen's recent speech (report, March 21) in which she said that South Africa was "little short of a miracle".

Was it not a miracle that the transformation from the previous government to the present one under Nelson Mandela was accomplished without the bloodshed that had been feared?

Yours faithfully,
ALAN KING-HAMILTON,
Royal Air Force Club,
128 Piccadilly, W1.

played in advising people to use what democratic rights they do still enjoy rather than telling public servants (to use his crude and vulgar expression) to "sod off".

Yours faithfully,

TEBBIT,
House of Lords,
March 23.

From the Director-General of the

Health & Safety Executive

Sir, So far as health and safety regulations are concerned, may I relieve Mr Cassidy's mind. No HSE inspector would claim to be enforcing European legislation; they are enforcing British law derived from it. And if anyone says "sod off" to them, they will behave according to Citizen's Charter principles, while of course applying the law in their usual reasonable, professional non-zealous way.

Mr Cassidy might address his energies to the European Commission, who have not been slow to question us about whether we have in fact sufficiently implemented the directives: we think we have.

Yours faithfully,
J. D. RIMINGTON,
Director-General,
Health & Safety Executive,
Rose Court, 2 Southwark Bridge, SE1.

Thames Tunnel

From Mr T. G. Hassell

Sir, If your readers would like to see for themselves the architectural and engineering quality of the Thames Tunnel at Rotherhithe (letters, March 17, 24) they can consult a photographic record of the tunnel at the public archive of the Royal Commission on the Historical Monuments of England in our search rooms here and at 55 Randleford Street, W1.

Yours faithfully,

T. G. HASSELL
(Secretary, Royal Commission on the Historical Monuments of England),
National Monuments Record Centre,
Kemble Drive,
Swindon, Wiltshire,
March 24.

Brill thrill

From Professor Barry Supple

Sir, I was touched by Mrs Barbara Brill's nostalgic memories of the Hackney Downs/Dalston County 1948 production of *Romeo and Juliet*, starring "the young, good looking Mr Pinter".

But what lapse of memory was it that led her to omit any reference to the youth who played Mercutio? Have all these years of treasured recall and constant dissemination been wasted?

Yours faithfully,

BARRY SUPPLE,
41 Lensfield Road, Cambridge,
March 23.

Christian basics

From Miss Elizabeth Manners

Sir, Whether the Reverend Alan Robson (letter, March 21) believes that the Resurrection "almost certainly did not" happen is a matter for him and God alone, but how can he justify holding office in a church which proclaims, and requires him to proclaim in the Creed each Sunday, that belief in the Resurrection is one of the fundamental tenets of Christianity? Our Father's house has many mansions, and room for many deeply personal beliefs, but surely this failure to accept and proclaim the basics is what has made the "candyfloss religion" he complains about.

I have the honour to be, Sir, your obedient servant,
ELIZABETH MANNERS,
49b Aldebert Terrace, SW8,
March 21.

From the Reverend Nick Percival

Sir, What, I wonder, does the Reverend Alan Robson preach on Easter Day? ... we are here, today, to celebrate that Jesus Christ has been dead for three days — and still is?

Yours faithfully,
NICK PERCIVAL,
88 King George Road,
South Shields, Tyne and Wear,
March 21.

Letters should carry a daytime telephone number. They may be faxed to 0171-782 5046.

Cost of preserving Highland sleepers

From Mr Robert Dunn, MP for

Darford (Conservative)

Sir, The withdrawal of the Fort William sleeper service is hardly the sort of disaster your newspaper is predicting (report and leading article, March 20; Magnus Linklater and letters, March 22). Other train services will continue to Fort William and other sleeper services will continue running to Scotland.

Passengers using the Fort William sleeper form a minute proportion of visitors to Scotland; in fact an average of 36 passengers use the train a night in the summer and 18 in the winter, at a cost to the taxpayer of £450 each per journey in subsidy.

This figure is near to the subsidy the average rail commuter in the South East receives for an entire year.

Yours faithfully,

BOB DUNN
(Chairman, Conservative Backbench Transport Committee),
House of Commons,
March 22.

From Mr Richard Fisher

Sir, When British Rail was determined to close the Settle-Carlisle line some years ago it sought to make the service unattractive, then produced figures showing losses on the passenger service, combined with forecasts of high track-maintenance costs. The same tactics seem to be in evidence in the threat to close the sleeper service on the Highland line.

Let us hope the Government will show the same good sense on this issue as it did when it rescued the Settle-Carlisle line — accepting that it was a lifeline to people in the area and recognising what had been starting everyone in the face that it was one of the country's major tourist attractions.

Yours sincerely,

RICHARD FISHER,
1 Middle Lane, N8,
March 22.

From Mr Robert H. Foster

Sir, The London-Fort William sleeper used to be a four-coach portion attached for 400 miles to the Euston to Inverness service. It has only recently expanded to a seven-coach train and now runs independently all the way from Euston.

Operating it again as a portion south of Edinburgh/Glasgow would obviously improve its operating cost/revenue ratio.

The round trip from London to Fort William and Mallaig, with a ferry to Kyle of Lochalsh and then Inverness and back to London, is one of the most scenic rail journeys in Europe. Yet I have seldom seen any publicity to suggest that it might be attempted.

Yours faithfully,

ROBERT H. FOSTER,
Winterburn Grange,
Skipton, North Yorkshire,
March 23.

From Mr K. F. Simonds

Sir, Another reason for the allegedly disastrous finances of the night sleeper service must surely be its late running.

In recent years, and encouraged by the Passengers' Charter, I have on three occasions laid complaints about the late arrival of Motorail services variously at Inverness and Fort William and have received compensation to a total value of £160.

These were all fair-weather occasions, when there could have been no question of delay by the forces of nature.

Punctual services would surely help profitability.

Yours faithfully,
K. F. SIMONDS,
4 Ropewalk Cottages,
Newtown,
Bradford on Avon, Wiltshire,
March 22.

Multiple mums

From Mrs Lucy Lerner

Sir, I wish I had seen the offer that Paul Batterbury noticed for three Mother's Day cards for a pound (letter, March 23).

I have bought this year for Mother's Day: a card for my mother from myself and my husband, a card for my mother from my two small daughters, a card for my mother-in-law from myself and my husband, a card for my mother-in-law from my daughters, a card for my grandmother from myself and my husband, and a card for my grandmother from my daughters.

£2 would have been quite a bargain.

Yours faithfully,

LUCY LERNER,
51 The Mall, N14,
March 23.

Bad timing

From Mrs Anne Brown

Sir, How unfortunate that the one day on which mothers can be guaranteed a lie-in — Mothering Sunday — falls this year on the first day of British Summer Time. This mother will not be able to lie in to any effect because the clocks go forward and she'll lose an hour's sleep.

Please could BST commence next year on Father's Day?

Yours faithfully,

ANNE BROWN,
54 Shakespear Road, W3,
March 23.

NEWS

More troops expected to leave Ulster

Hundreds more troops are expected to be pulled out of Northern Ireland soon after yesterday's announcement that Army night patrols in Belfast have been stopped.

With 18,000 soldiers still in Ulster, many confined to barracks, increasing political and military pressure to bring units home before the summer is expected. Page 1

Cannabis 'no more than a gin and tonic'

Cannabis is today's equivalent of a gin and tonic to young people and should be legally controlled, the head of a Government-funded youth agency says. Janet Parakeva, 49, director of the National Youth Agency, said that for many young people soft drugs were part of everyday life. Page 1

Queen brings rain

South Africans are judging the Queen's state visit an outstanding success and offering prayers of thanks because she made rain. Pages 1, 13

HIV doctor returns

The most senior doctor in Britain to admit to being HIV-positive returns to his clinical practice in Glasgow on Monday. Page 1

£6m veal picket bill

The Government has admitted that the policing of demonstrations against the export of live animals had cost £6 million. Page 2

Victim wins appeal

A rape victim has successfully challenged the Criminal Injuries Compensation Board's refusal to award compensation. Page 3

Mistrial declared

A mistrial has been declared for the second time in the case of a Florida teenager accused of killing a British tourist. Page 4

Swiss fly scientists start making eyes

Fruit flies that have eyes on their wings, legs and antennae have been genetically engineered by Swiss scientists who believe they have pinpointed the gene that controls eye development and have switched it on in other parts of the body. Page 6

School head backed

Parents at a school in Avon have rallied to the defence of a deputy head teacher dismissed after allegations that he manhandled a ten-year-old boy. Page 5

'Priest' condemned

The BBC's feature film, *Priest*, has been condemned by a leading Roman Catholic group in America for presenting a warped vision of Catholicism. Page 6

Pollen count up

Trees near the Arctic Circle are producing pollen as temperatures continue to rise. Page 8

Mayor on the run

Yuri Luzhkov, Moscow's Mayor, works overtime. Page 12

Frontiers melt away

Europe sans frontières begins to take effect from tomorrow as seven EU countries remove internal border controls. Page 13



The Princess of Wales poses for photographers in Austria yesterday. Later she confronted a cameraman, demanding that she be left in peace. 'As a parent, could I ask you to respect my children's space?' she said.

OPINION

The sack race: In recent years it has been believed that there is no alternative to job-shedding. Labour could do worse than question this wisdom. Page 15

Box clever: Tyson's reinvention is complete, and it could only have happened in boxing. We are told he is better read than most Oxford undergraduates. This is not at all surprising, for Tyson is thoughtful, peaceable and Muslim. Page 15

Mother's Days: A mother is for life: not just for Sunday. Page 15

Aid or trade: how the outside world should help South Africa. Page 15

COLUMNS

Matt Ridley: 'We share a revolution at the hijacking of environmental issues by extremists'. Page 14

Simon Jenkins: 'We get our milk from the supermarket. Yet a replacement is on the way: tubercular-tested elixir called "communitarianism"'. Page 14

PERSPECTIVES

The Turks should be getting more support than the West, once again, has been willing to give an Islamic nation. —The Wall Street Journal

Turks live at a great historical crossroads, and the army's strike is part of deciding whether to turn eastward or westward. —The Washington Post

BUSINESS

Banking: National Westminster Bank is to be sacked as London Underground's principal bank after a £53,000 cheque went missing. Page 21

Economy: Britain enjoyed healthy growth, low inflation and an improvement in its trading performance during 1994. Page 21

Markets: The FT-SE 100 index rose 17.0 points to close at 3153.4. Sterling's trade-weighted index rose from 85.4 to 85.6. Page 22

OBITUARIES

James Malcaly, QC, barrister and Crown Court Recorder; **Leslie Grinsell,** field archaeologist; **Florence Chadwick,** long-distance swimmer. Page 17

SPORT

Motor racing: Damon Hill took provisional pole position for the Brazilian Grand Prix. Pages 31, 36

Boxing: Mike Tyson walks out of prison today with the heavyweight division bereft of talent. Page 34

Football: In its short time the set-up of the Premiership has divided half a dozen clubs from the rest, who are trying to bridge an ever-widening gap in quality. Page 35

CULTURE

Brain drain: Many of the motor racing miracles of tomorrow were pioneered by British scientists 30 years ago but were condemned to the drawing board because the Government cut research funds.

SATURDAY TIME

MAGAZINE

Race against time: Ginny Dougary meets Damon Hill, Britain's main hope in tomorrow's Brazilian Grand Prix. Page 10

Just the ticket: Next week the Arts Council shares out £10 billion of the National Lottery fund. Joanna Pitman on the hopefuls. Page 18

Rule Britain: Eighteen British films are in the running for an Oscar tomorrow. Alan Franks applauds the rise of our talent in Hollywood. Page 25

Beach front: Roy Kerridge gets into the spirit of a seaside baptism at a west London church. Page 30

Kaiser Karl: Everyone agrees: Karl Lagerfeld is the king of culture. Iain R. Webb reports. Page 38

WEEKEND

New English gardens: 'Having seen these gardens, nobody can look at his own in quite the same way.' Graham Rose says. Page 1

Week in the arts: 'We badly need some Carnegies in Britain today.' Richard Morrison on the thorny subject of business sponsorship of the arts. Page 5

Public art: The Serpentine Gallery in Hyde Park is urging visitors to sit on its exhibits, remove them from the walls and even take them home. Page 5

Shotgun battle: Why a farmer with a licence to kill is defying a wildfowl conservation trust. Page 12

VISION

Future wars: Horizon on deep battle and soft wars. Page 2

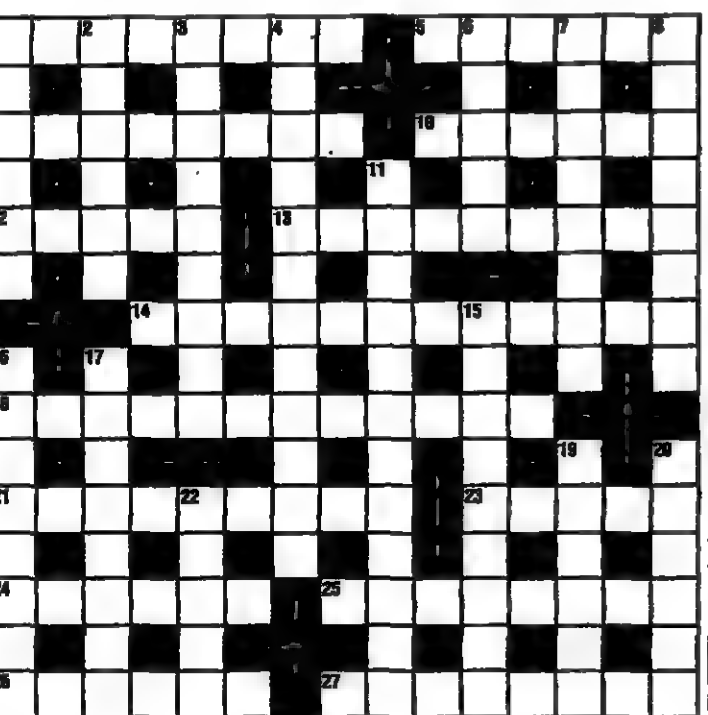
Film fare: from *Great Expectations* to *Saturday Night Fever*. Page 4

Internet Radio: Interactive Evening on Radio 1. Page 20

THE TIMES CROSSWORD NO 19,812

KNOCKABOUT A bottle of Knockabout, a superb Speyside Single Malt Scotch whisky uniquely bottled only when at its peak of perfection rather than at a pre-determined age, together with a fine leather credit card wallet, will be given for the first five correct solutions opened next Thursday. Entries should be addressed to: The Times, Saturday Crossword Competition, PO Box 498, Virginia Street, London E1 9DD. The winners and solution will be published next Saturday.

Name/Address



ACROSS

- Chance acquaintance is no Good Samaritan (6-2).
- Pre-Raphaelite dance (6).
- Floor fined with alarm — you'll be blamed initially for getting jittery (4-4).
- Immutability — an edict from sulian (6).
- Allowed boy to go on stage (5).
- After repair, send car to town (9).
- Recommend an astrological influence to decide the issue (3,3,6).
- One with unexpectedly good heart announced he'd trump another suit (5,7).
- Note in miniaturised state gives thin metallic sound (9).
- Fly from island kingdom (5).
- First in, Hobbs had the style to perform the cut... (6).
- ...to secure a quick run that may decide the match (3-5).
- Greek musicians stopped short (6).
- Wearing respectable blue (8).

Solution to Puzzle No 19,806

SITCOM RITENESS
S O U E R N A
M A N D A M A S
P E R I S H E R
L E A R T S S
L C O N D E N S E
S A F E C C K A L S O
I L G E N T I N G H
E N T R A P O R A N D O
N E A N I T Y
C L O U D M A I L S H O T
E O E F E N E U
R O T A R I A N T O D A T E

DOWN

- Stout glass dashed against the wall (6).
- Feed leaders of school in lunch period (6).
- He bills me for making new dress up (9).
- Family dishonoured, but showing signs of fight (5-7).
- Novelist in audio reproduction (5).
- In railway express what one may feel in a detached way (8).
- Prepares at last to strip off skimpy garment (3-5).
- During school, one child is kept in over break (12).
- Governor of castle can't be so careless about money (9).
- One working as hooker on the staff — black mark (8).
- Go off top of hill to highway (8).
- Violently expel air from tin — simplicity itself, we hear (6).
- What expensive boat cost? (6).
- Hindu god of wind, rain, etc (5).

Solution to Puzzle No 19,811

S Q U A R E B R A C K E T S
P P U A T H L I
E X H I B I T D R I V E I N
C E B I L E P C E
T R A J E C T O R Y S T O W
A V I L E R R
C L E A N U P E Y E W A S H
L E R S M A
E N T I C E R S H O W B I Z
U K C R A A
D U N K W H O L E S A L E R
U I N E O E D D
M A S S E U R I N F E R N O
P I N K O N U I T U
S T A R T I N G B L O C K S

LAST WEEK'S WINNERS: R Ramsey, Belfast, Northern Ireland; C D Brown, Bellingham, Glasgow; S Goodman, Northborough, Peterborough; D J Hurst, Hunsleigh, Northumbria; R A Deha, Norfolk, Norfolk.

THE WEATHER

For the latest region by region forecast, 24 hours in advance, call 0801 500 1000. For the latest region by region forecast, 24 hours in advance, call 0801 500 1000.

Region	Forecast
Greater London	701
East of London	702
West of London	703
South East	704
South West	705
West Midlands	706
East Midlands	707
North East	708
North West	709
Yorkshire	710
East of England	711
West of England	712
South East	713
South West	714
West Midlands	715
East Midlands	716
North East	717
North West	718
Yorkshire	719
East of England	720
West of England	721
South East	722
South West	723
West Midlands	724
East Midlands	725
North East	726
North West	727
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Yorkshire	791
East of England	792
West of England	793
South East	794
South West	795
West Midlands	796
East Midlands	797
North East	798
North West	799
Yorkshire	800

HOURS OF DARKNESS

For the latest A.M. and P.M. times, call 0801 500 1000.

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South West	795
West Midlands	796
East Midlands	797



MICHAEL CLARK 20

Recs face further months of uncertainty



MELVYN MARCKUS 21

Our City Editor returns to the Barings fiasco



SPORT 31-36

Has Mike Tyson still got what it takes?

WEEKEND
SPORTING
FIXTURES
Page 35

THE TIMES

BUSINESS EDITOR Lindsay Cook

SATURDAY MARCH 25 1995

Sparks set to fly over power price review

By MARTIN WALLER

STEPHEN LITTLECHILD, the electricity regulator, is on a collision course with the industry over the pricing review of distribution profits that he initiated yesterday, the City believes. The Director-General of electricity regulation said yesterday that he would proceed with a review of the amount that the 12 regional electricity companies in England and Wales can charge for distribution, which comprises a quarter of the average domestic bill.

He is effectively repeating the task that he carried out last summer that resulted in a new set of pricing formulae, running from next month. That exercise drew criticism that letting the industry make excess

profits at the expense of the consumer. This month, Professor Littlechild announced that he was considering a further review, a statement that sparked share price collapses within the sector and led to the abandonment of Trafalgar House's £1 billion takeover bid for Northern Electric.

Professor Littlechild's change of heart has been prompted by the rise in share prices since he made his ruling in August and by Northern's defence to the Trafalgar bid, which by offering its shareholders a loyalty package of £5 a share indicated the strong finances enjoyed by companies in the industry in spite of the review. He said yesterday that a tightening of price controls could take the form of a one-off payment, an adjustment to the base price of

electricity, a change in the rate at which prices can in future rise, which is tied to the inflation rate, or any combination of these.

His announcement led to falls in the share prices of the regional companies, although some were later reversed and the shares ended only a few pence off.

The companies can appeal to the Monopolies and Mergers Commission if they do not like the eventual ruling, and many in the City believe they will. That would extend the review for another six months beyond the end-of-June deadline that Professor Littlechild has set.

Currently, distribution prices can rise from next year by 2 per cent points less than the inflation rate. The industry has suggested privately

that an RPI minus 4 figure would be the most it would accept. But by one company's calculation yesterday, this would represent £20 or so off each household bill spread over the four years from next spring.

That would be well below the expectations of the consumer groups who objected to the first review. Much more than that level, however, would cause the companies to turn to the MMC.

Nigel Hawkins, utilities analyst at Hoare Govett, the broker, believes that public expectations would be satisfied by a package comprising a £30-a-household payment from the flotation of the National Grid, now delayed by Professor Littlechild's actions, an RPI minus 4 formula and a one-off payment of £25 to be paid

for by the companies out of borrowings. But several companies indicated yesterday that they would have serious misgivings about this last payment and doubted whether they could legally raise debt to the benefit of their customers.

ScottishPower is to hold domestic electricity tariffs at 1993 levels from April after Scotland's separate regulatory review conducted by Professor Littlechild last year.

More than 3,000 workers at PowerGen the generator, will receive a 5.5 per cent pay increase this year and another half a per cent next year. Meanwhile, GMB union members at National Power will receive a 7 per cent rise.

Tempos, page 20

UK enjoys best trade figures in nine years

By JANET BUSH, ECONOMICS CORRESPONDENT

BRITAIN enjoyed a virtuous combination of healthy growth, low inflation and a spectacular improvement in its trading performance in 1994, according to figures published yesterday.

The biggest surprise came on the current account, where a combination of booming exports and high invisible earnings from services such as banking, tourism, insurance, and investment income from abroad cut Britain's current account deficit to only £168 million for the year.

This was the best performance for nine years, and a dramatic improvement on the £11.8 billion deficit recorded in 1993. It bettered by a long margin the forecast as recently as the November Budget of a £4 billion current account deficit in 1994.

This welcome record on trade was coupled with figures showing that the economy expanded by 0.8 per cent in the fourth quarter, the same as previous estimates, but that the year-on-year rate had been pushed up to 4.2 per cent, compared with 3.9 per cent earlier. At the same time, inflation remained low. The higher growth figure came after revisions to growth in the middle quarters of last year. Growth in the fourth quarter was unrevised at 0.8 per cent and a picture of slowing demand towards the end of last year appears to remain intact. Consumer spending slowed to 2 per cent in the final quarter compared with a year earlier, from a rate of 3.5 per cent in the first quarter.

The GDP deflator — a key indicator of inflation — rose by only 1.8 per cent in 1994, compared with the previous year. This is the lowest this indicator has been since 1959 and underlines how subdued inflation has been even at a time of above-trend growth.

Another positive feature of yesterday's figures is evidence that investment is picking up on the back of very strong corporate profits. Investment rose by 2.2 per cent in the fourth quarter, compared with the third. Within total investment, spending on buildings and homes remained weak, but investment in plant and machinery was booming. Spending on this category was 7.2 per cent higher in the fourth quarter than in the fourth quarter of 1993.

Consumer spending was surprisingly strong in the fourth quarter, with growth of 0.8 per cent from the third. The Central Statistical Office said that it had been boosted by the National Lottery.

The balance of the recovery changed in the final quarter of last year, with consumer spending taking over from net exports as the key component. Domestic spending increased by 1.7 per cent, while net imports rose to £2.3 billion in the fourth quarter, from £900 million in the third. This was equivalent to knocking 1 per cent off GDP in the quarter.

The trade figures surprised the City, which had been looking for a current account deficit of about £1 billion in the fourth quarter instead of the surplus of £628 million reported. A record £3.6 billion in invisible earnings more than made up for a visible trade deficit of £2.9 billion.

For 1994, the visible trade deficit of £10.5 billion was balanced by a record surplus on invisibles of £10.4 billion. Some analysts concluded that Britain could run a substantial current account surplus this year, with European markets recovering and sterling at highly competitive levels and the domestic appetite for imports being constrained by higher interest rates and taxes.

Others cautioned that the current account figures were flattered by a very low figure for British transfers to the European Union. They also noted that invisibles were boosted by very high income from investment.



Going up: Tiny Rowland and his wife, Josie, at the Barbican

Rowland vows to return after Lonrho defeat

By COLIN CAMPBELL

TINY ROWLAND, ousted from Lonrho on March 2 because of "irreconcilable differences" with fellow directors, vowed yesterday "I'll be back" after failing to be made president.

He left Lonrho's three-and-a-half hour annual meeting as he came in — courteous, defiant, determined, adored by a band of shareholders — and still a plain mister.

The resolution to create the office of president, and then to appoint him to it, failed to secure the necessary 75 per cent vote. Sir John Leahy, Lonrho's chairman, told the 1,033 packed into the Barbican Hall that the board had originally supported the idea, but had changed its mind.

"Are you all schizophrenic that you can change your mind in 40 days?" a shareholder asked. "Yes and no," Sir John said. A full account of how events unfolded (concerning Mr Rowland's removal from office) would be detailed, if necessary, in court.

"What should have been a smooth transition period [as Dieter Bock assumed sole chief executive responsibility] became more like an obstacle course", Sir John said.

Mr Rowland spoke for two minutes before a fuller statement was delivered on his behalf. "The presidency doesn't really matter to me. My only care is Lonrho."

He called on Mr Bock to prove his financial abilities. He said that he had spent years in Africa. In the past six months, Mr Bock had spent only four days in Africa, he said. With all board members' eyes intently on him, Mr Rowland pointed to the platform and said: "For 34 years, I sat on the platform. Now, I am sitting comfortably in the audience..." He pointed again and said: "With the exception of the two non-execs, every one of you was appointed by me." The silence was electric.

"Remember, John, I made you a non-executive at £30,000. After two meetings with Bock, you were made chairman — at £120,000."

With a charm for which Mr Rowland is noted, and with a tongue for which he is famed, Mr Rowland said after the meeting that he planned to call an extraordinary general meeting.

"Who is Bock? If I were Sherlock Holmes, I should find it difficult to fathom him — but I'd get there eventually. I'm going to find out who he really is. I'm willing to be sued by Bock", he said.

Mr Rowland said Mr Bock should be made non-executive chairman, and Sam Jonah, of Ashanti, chief executive. He said: "I may have lost a skirmish today. But I'll be back."

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BUSINESS TODAY

STOCK MARKET INDICES		
FT-SE 100	3153.4	(+17.0)
Yield	4.53%	
FT-SE All share	1541.81	(+7.11)
Nikkei	15746.77	(-63.84)
New York	4128.22	(+38.39)
Dow Jones	900.11	(+4.18)
S&P Composite		
US RATE		
Federal Funds	8%	(8%)
Long Bond	102%	(102%)
Yield	7.38%	(7.45%)
LOAN TO INVESTMENT		
3-month Interbank	6%	(6%)
Life long gilt	103%	(102%)
Future (Mar)		
STERN NEWS		
New York	1.5870	(1.5852)
London		
\$	1.5890	(1.5823)
DM	2.2520	(2.2408)
FF	7.9190	(7.8520)
SP	1.3859	(1.3874)
Yen	147.85	(146.80)
S Index	88.5	(88.2)
DOLLAR		
London		
DM	1.4225	(1.4035)
FF	4.9225	(4.9875)
S	1.7785	(1.7625)
Yen	89.25	(88.20)
S Index	90.3	(90.5)
Tokyo close Yen 68.49		
STERN NEWS		
London		
DM	1.4225	(1.4035)
FF	4.9225	(4.9875)
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S Index	90.3	(90.5)
Tokyo close Yen 68.49		

* denotes midday trading price

Doorstep job cuts at Unigate

By GEORGE SIVELL

UNIGATE, Britain's second largest dairy group, warned its shareholders yesterday that the decline in traditional sales of doorstep milk had reached 16 per cent a year.

Unigate followed up the previous day's announcement of huge redundancies at Northern Foods with a trading statement revealing that 324 jobs had already gone since the November increase in prices caused by the scrapping of the statutory Milk Marketing Board.

Further cuts will be announced by Unigate in June with its annual results for the year to March 31. Unigate said yesterday that these were still being worked out, but were also in response to the rise in milk prices made by Milk Marque, the successor to the Milk Marketing Board.

Analysts were relieved at Unigate's statement that overall trading in the second half was ahead of expectations and the shares rose by 5p to 377p. The City applauded Unigate for having raised doorstep milk prices and pointed out that Northern did not.

NatWest sacked over £500,000 loss

By PATRICIA TEHAN, BANKING CORRESPONDENT

NATIONAL Westminster Bank is to be sacked as London Underground's main bank after a £533,000 cheque payable to the British Railways Board went missing.

London Underground is closing its £2 billion a year account and suing NatWest and Banque National de Paris in an attempt to recover the money. Tony Sheppeck, London Transport's board member for finance, said discussions had taken place with NatWest to recover the funds, but the sums offered by the bank were "substantially below the amount of the loss".

However, sources indicated that since writs were issued at the beginning of this month, BNP and NatWest have made a joint offer covering most of the loss and the three parties are still in talks.

A London Underground spokeswoman said: "We are not in a position to confirm whether we have received a direct offer from them."

London Underground said the crossed cheque for £533,213.23, dated July 29, payable to the British Railways Board, never arrived. When BR complained and London Underground chased the cheque, it was told it had

been paid into the account of Maria Brass, a German national, through Banque National de Paris in Metz, and cleared by NatWest.

NatWest confirmed it had received a writ from the London Underground solicitors.

In a prepared statement it said: "The bank has been advised by its solicitors that it has a strong case which it intends to defend strenuously. The bank has been working closely with London Underground and other parties in an attempt to resolve the situation and is disappointed that a decision has been made to move the banking business from the bank."

Mr Sheppeck said London Underground felt "we have been let down by our bankers in this matter, and we have lost confidence in them. Consequently, at the same time as taking legal action against NatWest, London Underground is moving its transactions account to another bank."

NatWest handles London Underground's annual £400 million government subsidy and its ticket transactions, with £2 billion a year passing through the account.

WEEKEND MONEY



25
Anne
Ashworth

TAX YEAR-END

23-24
Last-minute
buyer's guide to
Peps and pensions



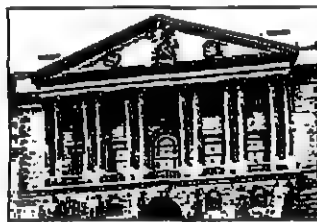
INSURANCE



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A stormy passage
for the Indian
stock market

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STOCK MARKET

MICHAEL CLARK

Power shares dim over price control uncertainty

THE regional electricity companies face months more of uncertainty after Stephen Littlechild, the industry regulator, confirmed plans to press ahead with a further tightening of price controls.

Professor Littlechild offered few details yesterday, but said he expected his review of the industry to be completed by the end of June with any changes implemented the following April. He refused to say whether it could result in repayments to consumers.

A couple of weeks back shares of the regional electricity companies suffered sharp falls after Professor Littlechild indicated what he had in mind. His statement caused anger in the Square Mile, coming just days after the flotation of the Government's remaining holding in the power generators, and resulted in the collapse of the £1.2 billion bid by Trafalgar House for Northern Electric. He made his move after taking note of the size of the loyalty bonus being offered by Northern to its shareholders.

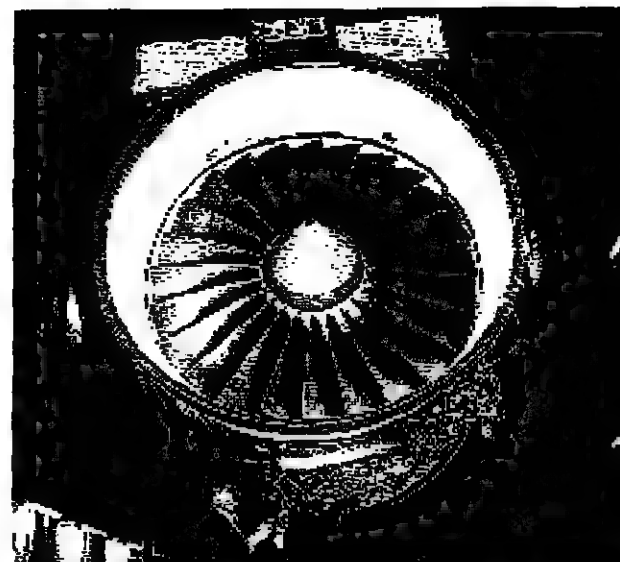
Brokers were dismayed by the regulator's decision but not entirely surprised. They said it meant months of uncertainty for the sector and would be likely to discourage any further bidders from showing their hands.

Losses were recorded in Northern, 22p to 72.5p, East Midlands, 15p to 60.5p, Manweb, 13p to 65p, Norweb, 13p to 64p, Seaboard, 5p to 35p, South West, 12p to 63p, South Wales, 18p to 64.2p, and Yorkshire, 19p to 62p.

But the setback for the Rees proved to be good news for the water companies as investors began switching. There was selective support for Welsh, 16p to 60.4p, Anglian, 7p to 47.5p, North West, 7p to 53.5p, Northumbria, 5p to 51.5p, Severn Trent, 5p to 51.5p, South West, 7p to 49.6p, Southern, 6p to 55.5p, Thames, 7p to 49.5p, Wessex, 9p to 27.8p and Yorkshire, 10p to 51.5p.

Elsewhere, the equity market ended the week on a high note with share prices responding to an opening rise on Wall Street after further evidence of a slow-down in the US economy. This enabled the Dow Jones industrial average to maintain its record-breaking run.

In London, the FT-SE 100 index consolidated itself above 3,150 after closing at its best of



Rolls-Royce is raising £331 million to pay for Allison

the day with a rise of 17.0 to 3,153.4, a rise on the week of 64.1 points.

Leading shares had enjoyed an early mark-up cheered by the current account surplus in the final quarter, some upbeat comments from the Chancellor and an optimistic survey by the CBI on exports. Rolls-Royce, the aero-engine group, was unchanged at 164p over its £331 million

selling them on at 155p. Medeva continued to attract US buyers with the price edging 11.5p better at 224.5p.

It looked as if Alan Baldwin, former Securicord chairman, had been jilted after the fickle directors of Southern Business Group decided to chase after another deal in the shape of Danika Business Systems. Danika has decided

to make a cash offer of 70p a share for Southern Business, slightly below the 72p a share currently on the table from Berkeley Business Group.

Baldwin's latest vehicle, and valuing it at £80.7 million. But the Berkeley offer carries a cash element worth only 52p a share with the balance in shares. At stake is Southern's lucrative photocopy leases.

As a result, the Southern directors have now pledged their

cash-raising exercise via a placing and open offer at 154p a share. The proceeds will be used to finance the £525 million acquisition of Allison Engine, the US group, first announced in November.

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MAJOR INDICES

New York (midday):

Dow Jones 4136.22 (+38.39)

S&P Composite 501.11 (+4.16)

Tokyo:

Nikkei Average 15749.77 (+33.64)

Hong Kong:

Hang Seng 8484.66 (+16.99)

Amsterdam:

EOE Index 391.06 (+2.73)

Sydney:

ASX 1897.2 (+6.3)

Frankfurt:

DAX 1925.42 (+10.65)

Singapore:

Straits 2056.55 (+22.00)

Brussels:

General 6778.90 (+49.42)

Paris:

CAC-40 1817.29 (+21.63)

Zurich:

SIX Gen 592.10 (+7.60)

London:

FT 100 3153.4 (+17.0)

FT-SE 250 3153.4 (+17.0)

FT-SE 100 3153.4 (+17.0)

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Barings' unforeseen circumstances

It could be argued that, for one reason or another, the Bank of England is fast becoming a *banque d'affaires*. By far the most interesting affair, ignoring that affair, remains the collapse of Barings. It is no secret that the Bank of England has set up a nine-man panel, chaired by Eddie George, the Governor, to investigate matters.

This, alas, has been reduced to eight, courtesy of Mary Ellen Symon's peculiar brand of journalism. Many questions as to quite how the Bank's favourite son (Barings, not Nick Leeson) managed to commit derivative barakiri remain unanswered. Betting the bank is not a new phenomenon. Betting the bank, without having the wit to know the vaults have been emptied on to the green baize, adds an entirely new dimension to risk ratios and the like. There were periods, during Barings' last days of independence, when a triple Z rating might not have been out of order.

The popular theory is that the

Bank's report will take another three weeks to complete. This may, or may not, prove correct. As far as I can ascertain, the Bank is diligently pursuing its investigation but has not pencilled in any specific deadline. Come completion and the Governor will deliver the report to Chancellor Kenneth Clarke, just conceivably during one of their monthly *tête-à-têtes* to damn the demon inflation. George: "Do have a Garibaldi, Chancellor. Oh, we have put a little light reading together for you. It's called Barings' unforeseen circumstances." Chancellor: "Where do you get these Garibaldis, Eddie?"

What, one might ask, of Leeson's circumstances, as at the time of writing he still appears to be confined to a Frankfurt jail, which, among other things, prevents him from coming into contact with anything dangerous, like a trading screen. A mere layman, or possibly a wretched holder of Barings' preference shares, might wonder why the UK authorities are not attempting to extradite the star of

Barings' demise, particularly in view of his professed intention to "name names". Peter Barings, the chairman, has, after all, most certainly put Mr Leeson's name in the frame. Whitehall's perspective seems to be that the authorities in Singapore, where Leeson's alleged misdemeanours occurred, can be expected to put forward the strongest case. Inquiries by the Serious Fraud Office continue but, to mount any criminal prosecutions in the UK, the police would have to show that Leeson intended to defraud Barings, or that his London-based colleagues were involved in a fraud.

All of this represents something of a blow for Leeson, who, with a little help from solicitors Kingsley Napley, is strenuously resisting Singapore's extradition request. The Singapore Commercial Affairs Department has brought a charge of forgery, alleging that Leeson forged two documents to cover losses of £30 million sustained on derivatives. Such a charge carries a prison sentence of up to seven



MELVYN MARCKUS

years. Sentences relating to community service never caught on under Premier Lee Kuan Yew.

Earlier this year, Barings' treasury is reported to have advanced sums in the region of \$900 million to cover Leeson's future trades. What certain bankers, let alone laymen, find difficult to reconcile is quite how transfers of this scale failed to set off a few alarm bells. Such an advance, equivalent to

some £550 million, outstrips Barings' consolidated capital of £540 million. It also raises the question of whether Barings breached provisions of the 1987 Banking Act. Under the Act, banks must not advance more than 25 per cent of their capital to a single borrower and must notify the Bank of any advance representing more than 10 per cent.

Clarification of such matters will, presumably, prove an integral aspect of Barings' Unforeseen Circumstances. Following Clarke's request for the Board of Banking Supervision to "investigate fully and urgently" all aspects of the Barings episode, the Governor assured the Chancellor that no stone would be left unturned in efforts to discover how Barings almost disappeared in a puff of speculation.

Ian West, who heads the Bank's Special Investigations Unit, is spearheading the initial fact-finding exercise. Of more than a passing interest, of course, will be the work of the BOBS lay members

in respect of the Bank's regulation of Barings. As the Governor disclosed in his letter of March 9 to the Chancellor: "The six outside members of BOBS have agreed that they will make their own assessment of the Bank's supervision of Barings." Sir Alan Hardcastle, a former partner in Peat Marwick, heads this little inquiry. The Governor added: "Their report will be a quite separate part of the final document that BOBS delivers to you."

This aspect of the report will, doubtless, be of particular interest to Brian Quinn, the head of Banking Supervision who has been mentioned as a possible successor to Rupert Pennington-Rea as deputy governor.

Another name mentioned in the same context is that of Pen Kent. Matters supervisory would appear to pass Mr Kent by, but something of a cloud blew across the horizon on Wednesday when Lloyds and 50 other clearing banks sent Union International, one of the pillars of the Vestey's empire, crashing into

receivership. Few tears will be shed for the Vestey family, best known for their sophisticated brand of tax avoidance. But the manner of Union's demise raised many eyebrows. When Terry Robinson, a former director of Lomrho, was called into Union in 1991 by the Vesteyes, desperate to strengthen management, debts amounted to £430 million. In the wake of a major rationalisation programme, borrowings were subsequently reduced to nearer £50 million.

Enter the banks, intent on liquidating JH Dewhurst, Union's butchers chain. Union's directors, led by Edmund Vestey, were left with no alternative other than to call in administrators to the parent: a development that may prove exceedingly non-beneficial, particularly to preference shareholders. Was the "London Approach", over which Mr Kent keeps a watchful eye, about protecting companies and creditors or merely protecting the clearers' balance sheets. Lloyds Bank's precipitate action at Union warrants close scrutiny.

Danka's SBG bid agreed

Danka Business Systems has announced a £67.6 million agreed bid for Southern Business Group, the photocopy supplier. The board of SBG has thrown its support behind Danka's offer of 70p in cash and withdrawn its recommendation for an earlier bid from Berkeley Business Group.

Berkeley's offer was worth £80.7 million or 83.5p a share when it was tabled last month. But a fall in the value of Berkeley shares means its offer of 104p in cash and seven of its own shares for every two SBG has fallen to just 73p.

Payout cut

Servisair, the UK airport ground handling service group floated last October by Securum, the Swedish state asset management company, is cutting its dividend to 2.5p from a notional 3.8p after seeing profits dent by an acquisition. Pre-tax profit last year slipped to £2.91 million from £3.17 million in 1993, lowering earnings per share to 6.4p from 9.2p. The exceptional item related to its acquisition of Ogdan Aviation Services.

BT posts

Sir Colin Marshall, chief executive of British Airways, is to join the board of BT as a non-executive director. Also appointed in a non-executive capacity is Birgit Breuel, general commissioner of Expo 2000 in Berlin and previously president of Treuhandanstalt, the agency responsible for the privatisation of industry in the former East Germany.

Hi-Tec slides

Hi-Tec Sports, the troubled sports shoes to leisurewear group, slid deeper into the red, and Frank van Wessel, chairman, said trading since January remained tough. Increased restructuring costs in the 12 months to January 31 dragged pre-tax losses to £6.96 million (£1.13 million profit). There is no dividend, giving 1.0p (2.75p) for the year, with a decision on a final payout at the time of the new year end in April.

School loss

Downside Abbey, Britain's oldest Catholic public school, said the loss of £50,000 invested in Barings preference shares was a deciding factor in making up to four teachers redundant while three more will take early retirement.

Rolls-Royce places £330m of shares to pay for Allison

By ERIC REGULY

ROLLS-ROYCE, the aero-engines maker yesterday sold £330 million of new shares to institutions, allowing the company to complete the purchase of America's Allison Engine Company.

Rothchilds, the company's financial adviser, placed 227.3 million ordinary shares at 154p, a discount of 6 per cent to the opening price of 164p, largely with domestic institutions. "This has been one of the largest, if not the largest, placements of its kind," said Nigel Higgins, a director of Rothchilds.

Shareholders who were on the register before the offering have the right to "claw back" the new shares at the same price on the basis of one new ordinary share for 5.4 existing. The offer closes on April 19.

The placement boosts the number of outstanding shares by 20 per cent, to about 1.45 billion shares. Rolls-Royce

said the larger equity base will not dilute earnings. Sir Ralph Robins, chairman, said that Allison's recent turnaround "reinforces Roll-Royce's confidence that the acquisition of Allison will enhance Roll-Royce's earnings per share".

Rolls agreed to buy Allison, which makes turboprop engines for military transporters and helicopters, from a leveraged buyout firm for \$525 million in November. Allison, of Indiana, last year made \$6 million on turnover of \$632 million, compared with a loss of \$202 million in 1993.

Wolfgang Demisch, an aerospace analyst at Bankers Trust in New York, said Allison has the potential to become more profitable because its research and development spending is falling after the completion of a \$1.8-billion programme that produced four new engines. "Allison should be able to hold

its own in terms of profitability within Rolls," he said.

Allison's spare business is also profitable. The company has 29,000 engines in service that need to be maintained. But Rolls said there appeared to be little room for cost cutting at Allison. The restructuring by previous owners cut jobs from 7,000 to 4,000.

Allison says it has more than 90 per cent of the global market for large turboprop engines, including those for Lockheed's soon-to-be launched C-130J transporter, ordered by the RAF. Mr Demisch said the C-130J could be a bright spot in Allison's future. The four-engine aircraft could be a strong seller if Europe's defence departments choose not to buy the F/A, its more expensive rival.

Rolls shares closed at 164p.

Stock market, page 20
Tempos, page 20

Mowlem in black after SGB shake-up

By CARL MORTIMER

PROFITS from the sale and hire of scaffolding pulled John Mowlem, the construction group, back into the black last year. The company shed 900 jobs and reduced fixed and overhead costs by £30 million, helping SGB, Mowlem's principal scaffolding company, to bring in £13.4 million before interest.

Elsewhere, Mowlem, whose chief executive is John Marshall, continues to struggle with contracting, barely turning in a profit before interest. London City Airport, in which the group is trying to sell its £20 million investment, reduced losses from £4.8 million in 1993 to £2.9 million. It had a setback at London City, when services from the Docklands airstrip to Berlin ceased after the collapse of Conti Flug, the carrier.

Passenger traffic doubled to 480,000 in 1994 and Mowlem hopes for further gains with new services to Bern and Basel in Switzerland and plans for flights to Italy and Edinburgh.

Profits remain elusive, because of interest costs and discounts to new air carriers, but the airport hopes to gain a further 200,000 passengers in 1995. Mowlem was approached last year by a group of investors seeking to buy the airport, but no deal was



Marshall: cut overheads

agreed. The company said that the price offered was too low, but it remained committed to sell all or part of its investment and indicated that the growth in traffic had increased interest.

At the pre-tax level, Mowlem made £4.8 million, compared with a loss in 1993 of £2.4 million, including exceptional charges of £99 million. It had cash balances of £41 million at the end of December, thanks to last March's £63 million cash call. The dividend for the year is 2p and a scrip alternative is available.

Tempos, page 20

Thorn cuts 300 jobs at Dillons

By PATRICIA TEGAN

THORN EMI has axed 15 per cent of the workforce of Dillons, the book shop chain it bought from the administrators of Pentos, its parent, at the beginning of the month.

Forty shops have closed, comprising 20 Dillons stores and all 20 Claude Gille bargain bookstores, with the loss of 317 jobs.

Thorn is retaining 100 Dillons stores in the UK and the Harchard and Hodges Figgis stores in Dublin. These outlets account for 1,875 jobs or 85 per cent of staff, and 90 per cent of turnover.

When Thorn reached agreement with KPMG, the Pentos administrator, for the £36 million purchase of Dillons on March 2, it took over its trading obligations while it conducted a review of the outlets and property leases. It has been paying the trading costs of all 140 stores since then.

Staff will receive an average £1,275 severance payment, with pay in lieu of 30 days' notice, at a cost to Thorn of £420,000.

The 40 unwanted properties will remain with the administrator. The closures were described by a union representative as "disastrous news for employees and the book-buying public alike".

Lancaster university graduates to market

THE University of Lancaster is turning to the London Stock Market to raise £35 million (Philip Pangalos writes). It will issue that sum in First Mortgage Debenture Stock 2025, to be managed by Barclays de Zoete Wedd. The stock will bear interest at a rate of 9.75 per cent, payable quarterly in arrears.

Chris Savory, director of finance at Lancaster, said that the first university debenture stock was delayed for some months because of market turbulence. "But today's conditions in the UK bond and gilt markets were perfect," he said. The proceeds will be used to

repay existing bank debts and finance 450 new student residence places, a library extension, a graduate school and several smaller projects. It will also enable the university to rationalise existing loans.

Rod Lindsay, Lancaster's deputy finance director, said that the initiative would provide long-term financial stability for the university. "We know exactly what our loan commitments are for the next 30 years because we are not at the mercy of fluctuating interest rates," he said.

A number of other universities are understood to be considering similar schemes.



Bearing up: Howard Dyer, chairman of Hamleys, who reported record results yesterday

Toy firms have mixed fortunes

By PHILIP PANGALOS AND MARTIN BARROW

A BUMPER Christmas and continued healthy demand from tourists helped Hamleys, the toys and games retailer, to report record results in its first year as a public company.

But Hornby Group, the toy manufacturer best known for its model railways and Scalextric racing cars, saw half-time profits slide to £600,000 before tax from £1.5 million.

Hamleys, which was floated last May, announced further overseas expansion plans after seeing pre-tax profits surge to a better than expected £5.65 million (£2.7 million) in the year to January 28.

Earnings rose to 21.2p (11.8p) a share. There is a final dividend of 5p (3.1p notional) payable on June 5, making an annual dividend of 7p (4.7p notional).

The fall in profits at Hornby was blamed on aggressive pricing in the export market, increased advertising support and higher production costs. The company has cut the interim dividend to 5p a share from 9p. Earnings fell to 9.5p a share from 10.9p.

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THE SUNDAY TIMES

After Dewhurst went into receivership last week, the City was left wondering what had happened to the private fortune of the Vestey family, once one of the richest in Britain.

Business Focus - The Sunday Times tomorrow

TOURIST RATES

	Bank Buys	Bank Sells
Australia \$	2.29	2.12
Austria Sch	16.83	15.28
Belgium Fr	46.89	45.09
Canada \$	2.343	2.188
Cyprus Cyp	0.758	0.705
Denmark Kr	9.38	8.76
Finland Mk	6.57	6.06
France Fr	7.57	7.22
Germany Dm	2.40	2.19
Greece Dr	364.00	359.00
Hong Kong \$	5.917	4.517
Ireland P	1.05	0.97
Italy Lit	2635.00	2680.00
Japan Yen	158.50	158.50
Malta	0.021	0.046
Netherlands Gld	2.673	2.443
Norway Kr	10.59	9.78
Portugal Esc	247.50	220.00
S Africa Rd	213.00	211.46
Spain Pta	12.28	1.81
Sweden Kr	1.90	6548.00
Switzerland Fr	1.680	1.580
Turkey Lira	1.680	1.580
USA \$	1.680	1.580

Rates for small denomination bank notes only as supplied by Barclays Bank plc. Different rates apply to travellers' cheques. Rates as at close of trading yesterday.

TRADING PERIOD: Settlement takes place ten business days after the day of trade. Changes are calculated on the previous day's close, but adjustments are made when a stock is ex-dividend. Changes, yields and price/earnings ratios are based on middle prices.

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HAPPY RETURNS 26

Where you should look to lock your money away

WEEKEND MONEY

TASTE OF INDIA 27

Investors take stock after the Bombay fiasco



Liz Dolan and Sara McConnell offer a last-minute guide on personal equity plans as the end of the tax year approaches

Countdown to Peps deadline



DEADLINE mania reaches its peak this weekend as investors join the annual dash to use up their Peps allowances before the tax portcullis clangs shut on April 5.

Those who leapt in at the last minute a year ago have had plenty of time to repent their tardiness. The FT-SE 100, which surged 20 per cent in 1993, slumped 10 per cent in 1994. This time last year, it stood at 3,129. By June, it had plunged to 2,876. This week, the index has risen by 64.1 points, to close at 3,153.40 yesterday, its 1995 high. The more astute will notice this is almost exactly where it was a year earlier.

Commentators are divided on current prospects. Some reckon shares will continue to climb. Others predict a roller-coaster ride for some time yet. Those who are still determined to take the plunge but lack the time for their own homework on Peps can take a short cut by following the advice of one of the Peps research houses or a financial adviser.

As best buy off-the-shelf Peps investing in unit trusts, Allenbridge, the research house, tips the following: Perpetual High Income, Perpetual Growth, Morgan Grenfell UK Equity Income, Morgan Grenfell European Growth, Pembroke Growth,

Newton Income and Newton General. For the more adventurous, the group suggests Perpetual Far Eastern Growth, Allenbridge, a Peps research house, bases its ratings on consistency of performance, management and overall return.

Andrew Butcher of Charles Stanley, the London stockbroker, is particularly keen on Pepping investment trusts. For those seeking income and growth, he suggests Murray Income (1.6 per cent discount,

Some see shares rising, others, a roller-coaster ride

4.7 per cent yield) and, for capital growth, Electric & General (9.6 per cent discount, 2.2 per cent yield).

If income is your primary interest, Mr Stanley suggests a choice of two split-level trusts. General Consolidated's income shares, currently 106p, yield 11 per cent until they are repaid at 100p on December 1997. For the longer term, he suggests River & Mercantile's income shares, currently 108p, which yield 9.2 per cent and are redeemed at 100p in April

2000. Another relatively low-risk Peps is the new Virgin Direct FT-SE all-share tracker fund. Launched a fortnight ago, it attracted £10 million in its first week. Tracker funds mimic the performance of a stock market index.

Fidelity, the fund management group, reports a fair degree of interest in its new Strategic Income bond. Currently 50 per cent in bonds and 50 per cent in equities, it will switch to 75 per cent bonds, when the Government gives the green light to corporate-bond Peps.

Richard Boyton, of Boyton Financial Services, advises veteran Peps investors who have picked up a "ragbag" of different Peps over the year to consider bringing them all together into a self-select Peps. Some providers will allow you simply to transfer your holdings. With others, you have to sell and buy back immediately within the new Peps.

Self-select Peps enable you to switch into cash when markets turn nasty. Charges depend on investment activity and mix. If the present stock market volatility is making you nervous, you could also ask your stockbroker to hold the new money you wish to invest as cash inside a Peps.

This is possible under Inland Revenue rules provided you intend to move it into qualifying investments and equity funds later on.



Should you climb on board the Peps express, or would a brief encounter be damaging to your wealth?

CORPORATE BONDS



A SLIVER of light has finally appeared at the end of the tunnel for income-hungry investors awaiting with growing impatience the appearance of the new corporate-bond Peps, first flagged in last November's Budget.

When the Chancellor announced plans to allow the inclusion of corporate bonds, preference shares, and convertibles in Peps, he said they were likely to come into force "as soon as possible after April 6".

This week, the Inland Revenue announced that it had at last cobbled together a set of draft regulations covering the new-style Peps. But, going by the envisaged timeframe, investors will have to wait until July at least for the first fully fledged products to reach the market.

A discussion document will be published next Friday and circulated among interested bodies. They will have until May 12 to register their comments. The regulations are expected to be finalised by the end of May, after which they will go before the House of Commons. If all goes to plan, they should come into force three weeks later.

The Revenue refuses to say whether it has decided to allow the inclusion of eurobonds in the new Peps. All will be revealed in the draft proposals, it says.

When the Chancellor first referred to the new Peps, he seemed to limit eligibility to UK sterling bonds. Peps providers immediately began lobbying the Treasury. They demanded that euro-denominated bonds be included in the package, arguing that, as the preferred money-raising route for a substantial number of UK blue chips, it would be unreasonable to exclude them.

If eurobonds are barred, many industry lobbyists say it will not be worth their while going ahead with pure bond Peps, because the investment opportunities will be too narrow.

Weekend Money is edited by Anne Ashworth

When it's not a good idea to buy



SALESMEN are using up the last two weeks of this tax year telling you that personal equity plans are the solution to all your investment problems because they are tax-free. If you have to pay little tax, however, or you are older and do not want to wait years for results, you should steer clear. You will find any gains eaten up by charges, particularly at first.

A widow of 70 on a small income, who has seen the value of her Peps fall by more than £1,000 since she took it out two years ago, is now warning other older investors paying little tax to think carefully before moving money from a building society. Irene Bracken says the

salesman who advised her to put her money into Co-operative Insurance's CIS UK Income Trust told her nothing about the charges that would be deducted from her two £5,000 investments and did not explain the risks.

She says: "The first I realised was when I received the contract note and saw the initial charge of 6 per cent. I telephoned the agent, who told me it was just a paper charge."

The charges, combined with stock market falls last year, reduced Mrs Bracken's total investment to £8,911.51, after deducting three half-yearly income payments. The latest payment, in January this year, was £194.96.

Mrs Bracken was reluctant to invest at first, but she says the salesman pressed her. "It was absolutely ludicrous — he kept on and on calling." Her

total income from pensions and savings is just under £5,700 a year. With her personal allowance of £4,200 in 1994-95, only £1,500 is taxed, and then only at 20 per cent.

In 1995-96, the allowance will rise to £4,630, meaning even less of her income will be taxed. She is unlikely to exceed her capital gains tax allowance of £5,800 (£6,000 after April 6). The benefit of a 20 per cent taxbreak on income from her Peps will be wiped out in charges, particularly early on.

James Higgins, of Chamberlain de Broë, the independent financial adviser, calculates that the gross yield on Mrs Bracken's investment is 4.6 per cent a year. Already on the low side, this is further reduced by the 1.25 per cent annual management charge. She is saving about £67 a year

in tax, but has to recoup the 6 per cent initial charge that CIS levies. Mr Higgins says it will take Mrs Bracken nine years to recover the initial £600 outlay. "For the average basic-rate or higher-rate taxpayer, low-yield Peps make no sense."

CIS blames falling stock markets last year for the drop in Mrs Bracken's investment. It says: "We were assured by our sales staff that the questions of both risk and management charges were explained to Mrs Bracken. We do not believe Mrs Bracken was under any pressure."

It added: "Given that Mrs Bracken pays a modest amount of tax, we believe that a personal equity plan is a perfectly satisfactory arrangement, though it should always be thought of as a medium to long-term investment."

How to be selective

You must have read many investor circulars that conclude "this is a time for selective investment" — as though there were any other kind. Even those who deliberately avoid making a choice, by investing through unit or investment trusts, must select. The advice is not, in fact, about selection at all: it is about market timing. Timing advice has its place: you were offered some in this column only last week. But it needs totally different skills from those involved in wise stock picking.

Timing is black-box territory. It is based not on real events, but on monetary analysis and charts. Both are ways of saying that history does repeat itself: so that it is not an accident that markets reach peaks during economic recessions, or that sharp peaks forecast sharp corrections.

But history never does quite repeat itself, so this remains high-risk territory. It is notable that some of the best practitioners of stock selection, such as JP Morgan, refuse to take any view on timing; and even an automatic rule like cash averaging — investing a like cash averaging — can turn steady sum each month — can turn lack of timing to profit. You buy more stock when it is cheap than when it is dear.

Selection is just the opposite. It is not based on any arcane study, or a belief in any of the dozens of largely imaginary cycles that are supposed to operate in the markets, but on ordinary economic reasoning. Thus any investor knew that devaluation



ANTHONY HARRIS

was good for those making traded goods and was expecting manufacturing companies to lead the advance this time round.

He can work out that Sunday trading, hypermarkets and warehouse outlets are all likelier to divert trade than to expand it, and will already be drawing up his own checklist of familiar high street names likely to follow Rumbelows and Debenhams chains into oblivion. It's just a matter of following the news and keeping awake.

So you have kept awake, and still bought in falling markets. You have also been willing to back some outsiders or take a long view, buying biotech for unknown future potential, or emerging markets for future economic miracles; and your portfolio review looks terrible.

If you allow this kind of setback to panic you, you will be in danger of getting the worst of both worlds, the self-confident judgment of a rabbit and the timing of a lemming. So before you get

selective, be sure you understand the basic limitation: buying on the fundamentals is always for the long term. Gordon Pepper, the high priest of monetary analysis, has calculated that it may take as much as five years for fundamentals to show in prices: so be patient. If you can't, stick to timing, and good luck to you.

Remember, too, that the fundamentals are not always obvious; and beware especially when you are one of those fundamentals. We all know by now that a consumer boom supported on rising asset values is a sure economic storm signal. What is not so obvious, except with hindsight, is that a stock market boom based on capital inflows, such as most emerging markets have experienced, can itself be a blinding economic headache.

The hindsight comes from Brian Reading, of Lombard Street Research. He shows not only that the Mexican disaster was the result of a fool's paradise financed by foreign share buyers; all those who burnt their fingers know that by now.

He also shows how wiser governments can avoid the trap by encouraging more investment at home, and by recycling unwanted inflows into big foreign exchange reserves against the day when inflows may turn into outflows. So, of course, you studied reserve statistics and domestic fiscal policy when you picked an emerging fund. You didn't? Then learn: sound selection involves hard graft. That is why so few people are good at it.

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APRIL 5TH

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A poor choice can make a pension worth thousands of pounds less at retirement, says Sara McConnell

With-profits the right policy

APRIL 5

BUYING a personal pension is the ultimate consumer right move, as you will soon discover if you are trying to set up a plan to take advantage of pension tax breaks before the end of the tax year. But if you choose the wrong plan, you could end up thousands of pounds worse off at retirement.

There are hundreds of plans to choose from, but working out which one will pay you the best pension when you retire is almost impossible unless you are a qualified actuary with a lot of time on your hands. Not only are there several different types of plan, but the companies running them levy different charges at different times. On top of this, investment performance varies widely, both between different companies and within the same company. Good past performance is no guarantee that it will stay good.

Actuaries' surveys are one of the only sources of unbiased and detailed comparisons of different companies and pension plans. But many of these surveys are carried out for the firms' own clients rather than the general public.

However, one firm, R. Watson, has given *The Times* details of its first annual personal pension survey. The

results were intended for internal use only this year, as a number of companies had declined to take part on the ground that they were adjusting the structure of their pension plans to take account of new rules compelling them to disclose their charges. But the figures supplied by the companies which did take part show the often huge gulf between the best and the

With-profits policies are still benefiting from high bonus payouts in the late 1980s

worst. These are some of the main findings:

■ You would have done better with a with-profits policy than a unit-linked one over the past ten years. £100 a month invested in the best with-profits performer over ten years, Sun Life, would have turned into £29,698. This assumes the adviser does not get commission (and that you pay him a fee). If he does get commission, Sun Life is still the best, but the payout drops to £27,720. The best unit-linked managed fund over ten years,

calculated on a nil commission basis, is London & Manchester's with a payout of £22,027, more than £7,000 lower than the with-profits equivalent. The best unit-linked payout, including commission, is TSB Life, which actually manages to do better than London & Manchester, in spite of paying commission. But its payment of £23,112 is still more than £4,000 lower than the with-profits equivalent. All these payouts have had the actual charges deducted.

Mark Stewart, a financial services consultant at Watson, said with-profits policies were still benefiting from high bonus payouts in the late 1980s while unit-linked policies, which do not earn bonuses, had been hit by poor stock market returns.

■ Choosing a poor performer can leave you thousands of pounds worse off. Assuming you pay no commission and invest £100 a month over ten years, you would have got only £20,358 from a with-profits policy with London Life, the worst performer. Sun Life, the best, would have paid you more than £9,000 more. On the unit-linked side, the pattern is similar. After ten years, your £100 a month would have turned into just £17,219 with Sun Alliance, the worst performer, nearly £6,000 less than TSB Life, the best performer.



Time spent on investment strategy is vital to success

Act now on unused tax relief

APRIL 5

MOST people put nowhere near as much into their personal pension as they are allowed to by the taxman.

But even if you have put in the maximum this year, you may still be able to use up unused tax relief for previous years.

You can get tax relief at your highest marginal rate on personal pensions, so the Inland Revenue limits the percentage of your annual earnings you can put into your pension.

If you have put in your maximum this year but want to put in more to make up for previous years, you can "carry forward" up to six years' unused relief. You must use up the relief for each year in order, starting with the earliest year. The maximum you can put in will be a percentage of your salary in the relevant year. You will receive relief at your current highest rate. There is no deadline for carrying forward unused relief.

You can also choose to "carry back" one year's unused relief. The relief is treated as though a contribution had been paid in the previous year, so you can benefit if you paid tax at a higher rate last year than this. You must pay the contribution by April 6.

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Money Observer, January 1995

Act before 5th April 1995

Who will gain from the hidden billions?

Anne Ashworth
on the row over
the distribution
of life insurance
reserves

An arcane argument about the distribution of reserves lies behind the latest controversy to surround the life insurance industry. Are all the surpluses of the past the property of those who have invested in with-profits endowment policies? Or do shareholders also have rights to these hidden billions?

After the announcement that Legal & General had applied to the Department of Trade and Industry for a ruling in its case, other life companies also sought clarification from the department. These are the questions being asked by baffled and suspicious policyholders.

Q What's the fuss about?

A The percentage of the surpluses that should go to shareholders, rather than policyholders. Companies wish to clarify how much can be redistributed to investors, a lengthy task as some of the business in question was done 30 or 40 years ago. In Legal & General's case, it is already specified that 90 per cent of the profits from the with-profits



Sir John Nott is speaking up for policyholders

fund should go to policyholders, with the rest going to shareholders. But the proportion of profits from other types of business is not laid down. Questioning a strategy that might benefit shareholders are those who believe that the reserves are policyholders' buffer against future uncertainties.

Q Why is this happening now?

A The applications to the DTI follow United Friendly's successful attempt, announced last month, to have its surpluses reallocated be-

tween policyholders and shareholders. However, new financial reporting rules will force companies to disclose "shareholder retained capital". This is the amount of the profits retained as investment reserves for the benefit of shareholders. Tillinghast, the firm of actuaries, notes: "Companies which do not do so may be more vulnerable to predators who take a more aggressive line."

Q Which companies are involved?

A So far, Legal & General, Britannic and Refuge, all stock market quoted companies. Mutual companies, which have no shareholders and where all the profits belong to the policyholders, are onlookers, but not disinterested ones. In spite of denials last week, the Prudential may be interested in unlocking some further value for shareholders.

Q Who stands to benefit?

A This is a moot point. The rises in life company shares show that the City thinks that shareholders will be the winners. But the companies say that they wish to be even handed, giving policyholders and shareholders their rightful due. L&G pledges that "there will not be

a bonanza for shareholders". Dick Squires, partner at Watsons, the consulting actuaries, is also reassuring: "Policyholders should not feel concerned. These moves are not going to reduce bonuses in the short term. The only marginal effect would be on contingency reserves, which would be used to supplement bonuses in the event of a catastrophic fall in the stock market."

Policyholders who have seen bonuses fall in the past few years are more sceptical. They feel that the companies should, without delay, provide more information on the impact of their plans on customers.

Q Who will protect the interests of policyholders?

A The life company's chief actuary should safeguard policyholders' interests. So should the DTI. Charles Pickup, of Tillinghast, says: "It is the DTI's duty to preserve the balance of interests between the parties. There's no mileage for officials in rubber-stamping a deal which lines the pockets of shareholders." Sir John Nott, the L&G policyholder who has sought more information about the company's plans, believes that chief actuaries' own interests are too closely allied with those of their employers. He feels independent actuaries should represent policyholders.

Q Does this make life insurance company shares a good buy?

A Sadly, you may have missed the boat. Insurance company shares have already risen in anticipation of higher dividends.



COMMENT
ANNE ASHWORTH
Personal Finance
Editor

Savers trapped in theatre of absurd

Timing is everything in investment and in comedy. But next week's sequence of events in court and elsewhere will rob thousands of savers and borrowers with the Cheltenham & Gloucester of the opportunity to make the most of the moment. The less than hilarious consequence is likely to be that they lose their last slim chance to share in the £1.8 billion Lloyds takeover.

By next Tuesday, we should know whether the Halifax will be able to award free shares to borrowers and savers of less than two years' standing when it turns into a bank. However, this knowledge is likely to come too late for their counterparts at the C&G, who are shut out from the Lloyds largesse.

Although the meeting to approve the Lloyds deal takes place next Friday, the deadline for receipt of proxy votes ran out yesterday. Many C&G savers will have given their assent, believing that there can now be no other more lucrative, or more equitable, outcome than Lloyds ownership.

Besides being forced to cast their votes in ignorance of the Halifax ruling, these C&G customers were, of course, also unable to hear the deliberations at today's special meeting in Cheltenham. Dissidents will be proposing different destinies for the C&G, includ-

ing flotation. But the C&G management cannot yet rest easy. Even if the Halifax wins the right to include all members, including borrowers, in the shareout, then the C&G will probably still win the necessary consent of 75 per cent of savers. But persuading its borrowers who stand to gain nothing may be more difficult.

Giving assurance

INSURANCE company legislation makes much of "policyholders' reasonable expectations". But exactly what the phrase means, no one can say, since it has never been tested in the courts.

The time may have arrived, however, to establish policyholders' reasonable expectations to obtain more information about life company surpluses. Several household names are seeking clarification on the amount of these surpluses that can be paid out to shareholders, a piece of news that has put policyholders on their guard.

After the personal pensions debacle, the public is minded to be dubious about insurers' motives. If, in this instance, the companies' only wish is to be even-handed, then they must provide fuller details of what they propose and why. Doesn't that seem reasonable?

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Is it safe to lock into a rate?

The market is expecting interest rates to rise. Caroline Merrell looks at the options for investors

Patience is a virtue. It can also be its own reward. The interest rates now being offered to investors willing to keep money locked up on deposit for more than three years are more than a third higher than rates on shorter-term variable-rate accounts.

The difference between long-term and short-term interest rates is at its biggest for a number of years. The gap between the two rates has been widening because the market is predicting another increase in interest rates before the end of the year.

Many building societies and banks are now offering fixed-rate deposit accounts with interest at 8.5 per cent over three or five years. This compares with variable interest rates on short-term accounts of about 6 per cent.

This week, Save & Prosper launched a term deposit account, exploiting the interest rate gap. It will pay a fixed interest rate of between 7.75 and 8.375 per cent over a three or five-year period. The minimum investment is £10,000 and income can be taken annually.

But should investors switch their money into a long-term fixed-interest rate account given that rates are almost certain to rise before the end of the year? Investors could find themselves at a disadvantage if the variable rate of interest rises above the rate payable on their fixed-term deposit.

Ian Lindsey, Save & Prosper executive director, says: "Over the past 15 months or so investors would have been able to achieve a much higher interest rate by putting their money away for a longer time. This is quite normal. The market is anticipating what it believes the prevailing variable rate of interest will be in three to five years' time."

The main building societies and banks believe that interest

rates will rise by about 1 per cent by the end of the year, which would give depositors a variable interest rate of about 8 per cent.

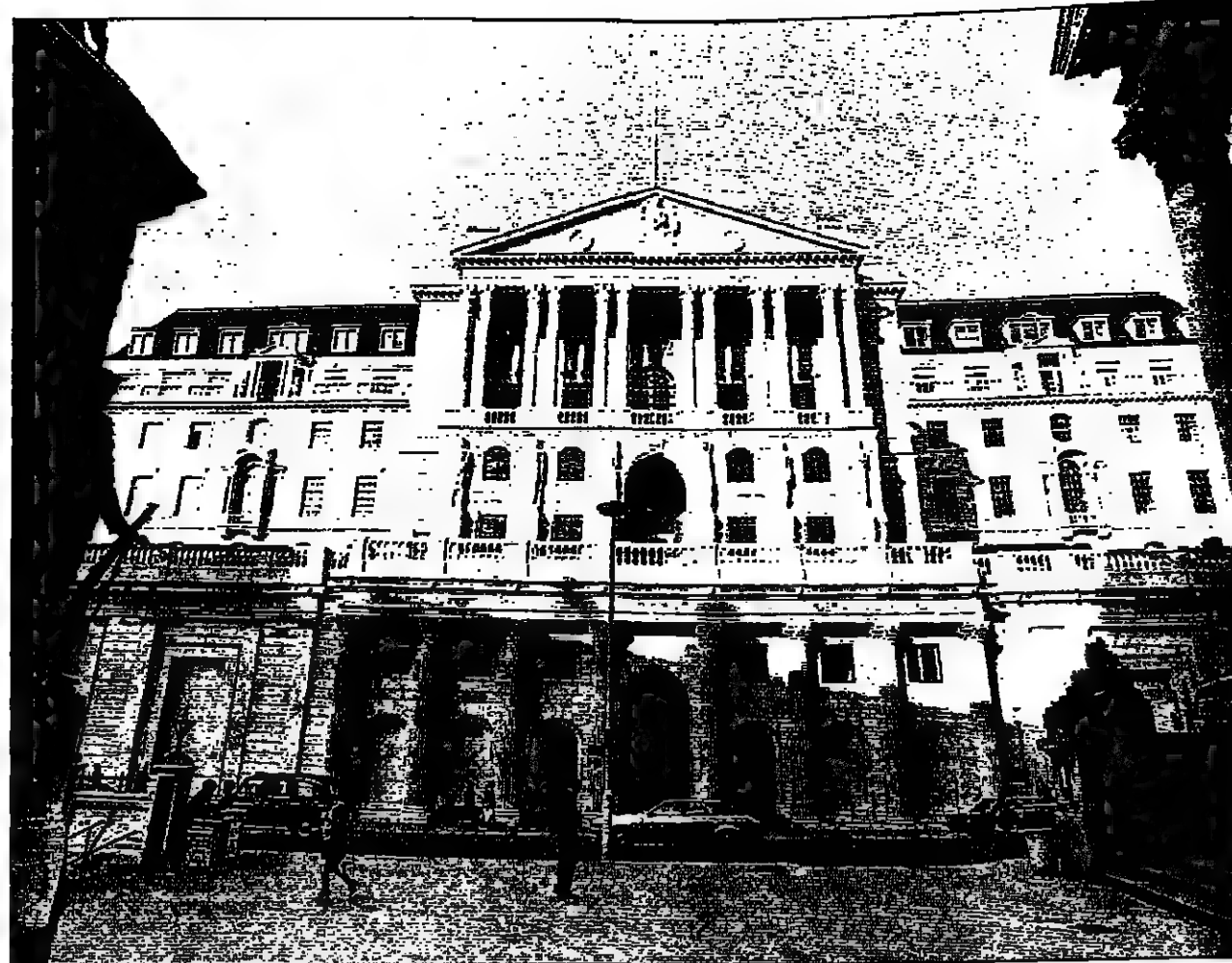
However, they believe that after this rise, interest rates will flatten out or perhaps even fall slightly, which adds to the attraction of three-year fixed rates of more than 8 per cent. Fixing the rate beyond three years may be more risky because an election could produce a change of government. Under Labour, inflation may rise, which in turn would increase interest rates. Garry Marsh, of the Halifax, says: "There are two possible scenarios on interest rates over the next year. The most unlikely is that there is a sterling crisis and the Government is forced to raise interest rates sharply by 2 per cent. At the moment, however, they seem to be ignoring it. It is far more likely that interest rates will rise by 0.5 or 1 per cent by the end of 1995, which would represent the peak of the interest-rate cycle. Rates may then drop."

Margaret Schwarz, Abbey National's chief economist, says that the Abbey was also expecting interest rates to flatten out at the 8 per cent level, with the biggest rise taking place between now and the end of the year. She says: "It is very difficult to predict what will happen in the longer term. It depends on what happens to inflation."

Other societies offering high levels of fixed-interest rates over two, three and five years include the Woolwich, Bristol & West and the Halifax. The Halifax is offering a fixed-rate account that pays 8.5 per cent fixed for three years or 8.9 per cent fixed for five years on deposits of more than £10,000 or less than £50,000. For sums over that amount the rates are 8.6 per cent and 9 per cent respectively. Bristol & West is offering a five-year bond that has a fixed rate of 8.7 per cent, or a three-year bond with a rate of 8.3 per cent.

For those investors who are still wary of locking their cash away for more than a year, gilts may provide an ideal compromise. Michael Read, investment director at Greg Middleton, the broker, points out that gilts with a three-year term are currently yielding between 7 and 9 per cent, with a redemption yield of about 8 per cent. Unlike the fixed-rate bonds, gilts can be sold at any time and carry the possibility of some increase in capital that is free from capital gains tax. He says: "The yields for once represent a good return over inflation which is expected to remain low."

It is very difficult to predict what will happen longer term



Bank of England gilts carry the possibility of some increase in capital that is free from capital gains tax

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This means that anyone looking for a mortgage would be well advised to take advantage of some of the short-term fixed rates or discounts now available. Ian Darby, marketing director of John Charcol, the mortgage broker, says: "You would not lose out if you took out a fixed rate at 5.75 per cent for two years and then switched it into a floating variable-rate loan."

Bristol & West is offering a 5.75 per cent two-year fixed-rate loan. The Halifax is also offering a competitive range of discounts and fixes. Discounts range from 1.3 to 4.8 per cent. At present interest rate levels, this brings the rate down to between 7.05 and 3.55 per cent respectively. It is also offering a range of fixes from 5.25 per cent for one year to 9.45 per cent for three years.

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Robert Miller looks at investing in India in the wake of the Bombay stock exchange fiasco

Private investors take stock again

Thousands of private investors who have put their money into emerging market funds have been watching this week's stock market scandal on the Bombay stock exchange, India's largest, with mounting concern.

Until the authorities stepped in and closed the Bombay exchange on Monday, Tuesday, and Wednesday, investors, and indeed the Indian Government, had hoped that stock market scandals were firmly in the past.

It is more than three years since the Bombay exchange was at the centre of another scandal. Then it was discovered that hundreds of millions of pounds worth of government bonds were being traded with more than one investor laying claim to ownership.

Since then, economic reforms introduced by the ruling Congress party, which include more liberal currency and trading conditions, have been attracting vital foreign investment. Alongside US mutual funds, British houses too, have been opening up effective ways for UK investors to tap into Asia's oldest stock market. Martin Currie, for example, runs a US\$212 million Indian Opportunities fund from Bermuda and Fleming manages a £62 million Indian investment trust listed in London that offers a low-cost, £40-a-month savings scheme. Fleming also runs a New York-listed India

Fund. A number of other unit and investment trust managers, that look after emerging market portfolios, have India at or near the top of their "buy" lists.

Even better, the World Bank, that strictest of fiscal taskmasters, says: "The improvement in India's external accounts, both current and capital, has exceeded the most optimistic expectations, with the result that the country's foreign exchange reserves now



are at their highest level in history." Last month, the International Monetary Fund (IMF), which in 1991 had to step in with emergency funding when India's foreign exchange reserves fell to less than 20 days' import cover, offered a stand-by line of credit for investment purposes. Reserves now provide almost nine months of import cover. With such encouraging signs of stability in the world's largest democracy, it was a blow to investors' confidence when the authorities closed the Bombay exchange for three days this week. Bombay is the flagship of India's network of 25 exchanges. Founded in 1876, it accounts for two-thirds

of the trading volume in India's 7,500 listed companies.

For the record, MS Shoes, a shoemaker and hotelier, was accused by the Indian authorities of rigging the market in its own shares. A broker who bought the company's shares to support the price then defaulted with debt of about £5 million. The cause of the scandal, however, is almost coincidental.

With the Government under electoral pressure for not spreading the benefits of the economic recovery to the vast majority of the 880 million population, investors have begun to wonder whether the latest Bombay fiasco is not a signal that the reform process may come to an abrupt halt. But the investment scales still come down squarely in India's favour.

Dr Swraj Paul, chairman of Caparo Group, told delegates at a recent Asia conference held by Thomson, the investment management group: "Almost 20 million individuals of Indian origin now live outside India... All are deeply committed to free enterprise and reform. Non-resident Indians are the real secret weapon against any serious rollback in economic policy."

He also said: "Above all, the Indian heritage is financially prudent. Indians are high savers and almost religiously believe in paying their public debts. Unlike some emerging markets where payment of obligations has no urgency and non-payment is no embarrassment, the idea of default is personally and nationally abhorrent to Indians."

Adrian Mowat, a director of Martin Currie, points out the pluses of investment in India. It is the world's fifth largest economy. It has a rich mineral base with large reserves of gas, iron ore and coal. It has a thriving agricultural sector that employs some 60 per cent of the workforce. It is also one of the world's leading computer software manufacturers.

And it has barely begun to tap into the middle-class consumer market of about 200 million people. For example, demand for telecommunications services has now outstripped availability. India needs to increase its lines from seven million to at least 30 million by the year 2000.

About 10 million households now earn more than



Experts still see a bright outlook in spite of this week's events

US\$30,000 a year and they are keen to buy cars, homes and almost all consumer goods. The pent-up domestic demand is huge. So too is the appetite for many Indian-produced goods abroad. And nowadays, companies are paying far more attention to marketing their goods at home. Advertising spending is estimated to be growing at 30 per cent a year, and the target area is the hitherto neglected 600,000 villages in India.

In short, Mr Mowat says, the outlook for India as an investment opportunity between now and the end of the century is "superb". Company profits are forecast to grow in excess of 40 per cent this year alone and the level of sales growth appears to be sustainable.

But he adds that if India is to establish itself as the most mature of the emerging markets, the Government and regulators must introduce tighter stock exchange controls to avoid embarrassments such as occurred this week.

Finally, Mr Mowat suggests: "If you want access to India, it is more prudent to do so through one of the emerg-

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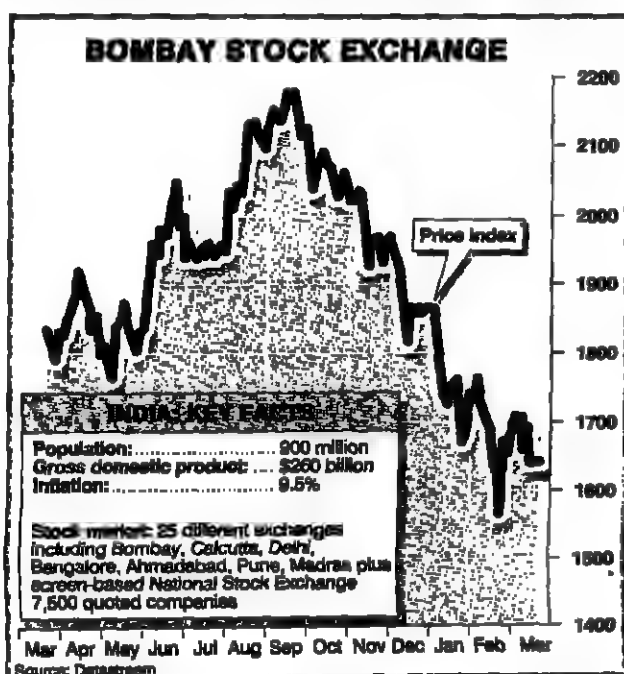
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All figures to 31 December. *Basic rate to 1982 - source BZW. Thereafter highest rate available from Microplan (£25,000+ Account), based on total return, net income reinvested. **Calculation by Foreign & Colonial Management Ltd using mid-market prices, net income reinvested, incl. historical 3.5% national expenses. Current charges 0.2% commission and Govt. stamp duty (only 50p). Foreign & Colonial Management Ltd (regulated by BMO and the Personal Investment Authority) or its subsidiaries are the Managers of the investment trusts. The value of shares and the income from them can fall as well as rise and you may not get back the full amount invested. Past performance is no guide to the future.



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Source: Moneyline offer to offer, net income reinvested at 1.50%. The bid offer spread on 1.50% was 1.0%. The price of units and the income from them may go down as well as up and you may not get back the amount you invest. Past performance is not necessarily a guide to future performance. Details of tax levels and rebates referred to in this advertisement may be subject to change in the future. It should be remembered that the value of any tax relief depends on the individual circumstances of the investor. If you have any doubts about your tax position, you should seek professional advice. Issued and approved by Gartmore Fund Managers Limited, regulated by BMO and the Personal Investment Authority. A member of AITF. Gartmore Fund Managers Limited is a member of the Gartmore marketing group which markets pension schemes, regulated collective investment schemes and investment services.

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■ **American Express** has introduced new "tailor-made" travel insurance policies that reflect recent changes in travel and social trends. The over-65s, single-parent families and lone travellers are among those who could benefit from the new rates. One adult taking a two-week holiday in Europe will pay a premium of £24.50. A fortnight's worldwide cover for a family costs £107.75. The single parent policy offers a 25 per cent discount on the basic family price. You can pay £42.60 for two-week holiday in Europe compared with the basic family rate of £56.80.

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ANNUAL INCOME
Rates as at March 22, 1995

Source: Chamberlain de Broë 01225 489636. Net rates. Income and capital guaranteed. Early surrender. Vary terms. Monthly income may be available.

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THE TIMES UNIT THIS INFORMATION SERVICE

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Curling shrugs off effects of fall to land Rising Stars final

What A Hand seizes winning chance

By ALAN LEE

WHEN you have just trained the winners of both the Gold Cup and the Champion Hurdle at Cheltenham, you have no need to envy anyone else's fortune. But Kim Bailey will have observed with keen interest yesterday that the final of The Times Rising Stars Hunter Chase series at Newbury was won by a horse he sold two years ago.

It was won, to stretch the coincidence further, by the trainer-jockey team of Richard Barber and Polly Curling who enjoyed their own Cheltenham triumph when Fantus won the Foxhunter Chase in the slipstream of Bailey's Master Oaks routing the Gold Cup field.

The West Country pair, as formidable in their own arena



as are Bailey and Norman Williamson in theirs, took the third running of The Times final with What A Hand, a seven-year-old chestnut whose only previous experience of National Hunt fences was short-lived and painful.

Earlier this month, qualifying for the final by running at Taunton, What A Hand was hampered at the first fence and unseated his rider. Horse was unharmed and jockey undaunted. "I have always thought he'd be a good horse and I have been proved right," Curling said, having betrayed the excitement of the moment by dropping her presentation magnificence in the sunlit winner's enclosure.

She is one tough cookie, Miss Curling. Only on Thursday, having ridden a winner at Wincanton, she suffered a bone-shaking fall. She soothed the aches with a hot bath but wore the legacy of a scarred forehead yesterday. Typically, she brushed aside the inconvenience and today resumes the



Polly Curling and What A Hand take the final fence on the way to victory in The Times Rising Stars Hunter Chase final at Newbury yesterday

defence of her point-to-point riders' title at Wiltton.

In her own way, Curling is every bit as indomitable as What A Hand's remarkable owner, "Podge" Roberts, as she is known to all. It is 84 years old and confined to a wheelchair. Five years ago, she was regarded as so close to death that family and friends gathered around her sick bed. "The horses keep her alive," Barber said. And yesterday, driven to the races from her Devon home, she gained a few more memories to sustain her.

This was the stuff of dreams. Mrs Roberts has owned horses before but now has a potential star to enliven her octogenarian years. Her

son, "Tishie", builds fences for point-to-point courses both here and in Ireland. Curling said she wanted to win the final for them both and, entering the winner's enclosure, aimed an exuberant thumbs-up at the owner.

In May 1993, What A Hand was sent to the Ascot Sales by Bailey, who contacted Barber to suggest he would make an ideal point-to-point rider. Barber is not short of such calls. With an expanding operation in the amateur field and a reputation for being able to spend sizeable sums, he is naturally wary of them. "But Kim didn't want to put me away," he reflected. "He said he had no owner for this horse and that

he needed time to mature. We paid only £3,200 for him."

What A Hand went off the 11-4 favourite but the competitive market, in which four of the eight-strong field were 9-2 or shorter, reflected the nature of the race. On the fastest ground these horses have encountered this season, it was run at a demanding gallop throughout and only Curling's horsemanship maintained the favourite's chance when he hung right and headed for the home straight.

A searching pace was being set by Paul Hacking on Colonial Kelly, who belied the fact that he had never jumped a

regulation fence, in impressive style. Country Tarrogon, the northern horse who had been the favourite in early exchanges, began to pick up the leaders as they turned for home, by which time Proud Sun and Mike Felton had come to grief. By now, though, Curling was sitting confidently in second and when she made her move after the third last, the race looked over.

Hacking conjured a renewed effort from Colonial Kelly but was still 3½ lengths down at the line. Country Tarrogon stayed on gamely in third but their however were supporting roles in yesterday's drama. It was very much the Podge and Polly show.

FULL RESULT FROM NEWBURY

Going: good
2.25 TIMES RISING STARS HUNTER CHASE FINAL (Amateurs: 65,872; 3m)
WHAT A HAND ch g Nearly A Hand - Kite Star (Mrs L Roberts) 7-11-7 Miss P Curling (11-4 fav)
Colonial Kelly ch g Netherly - Nepal (Colin Cowling Racing) 7-11-8 (inc 1b ov) P Hacking (9-2)
Country Tarrogon b g Town And Country - Sweet Spice (Mrs M Cooper) 5-12-0 N Widdow (5-1)
ALSO RAN: 100-30 Proud Sun (f), 9 Celtic Abbey (4th), 20 Coverdale Lane, 33 Rusty Bridge (5th), 20 fives (6th), 8 m, NR, Green's Van Goyen 3m, 14-1 (inc 2b, 2d, 3d, 4th, 5th, 6th, 7th, 8th, 9th, 10th, 11th, 12th, 13th, 14th, 15th, 16th, 17th, 18th, 19th, 20th, 21st, 22nd, 23rd, 24th, 25th, 26th, 27th, 28th, 29th, 30th, 31st, 32nd, 33rd, 34th, 35th, 36th, 37th, 38th, 39th, 40th, 41st, 42nd, 43rd, 44th, 45th, 46th, 47th, 48th, 49th, 50th, 51st, 52nd, 53rd, 54th, 55th, 56th, 57th, 58th, 59th, 60th, 61st, 62nd, 63rd, 64th, 65th, 66th, 67th, 68th, 69th, 70th, 71st, 72nd, 73rd, 74th, 75th, 76th, 77th, 78th, 79th, 80th, 81st, 82nd, 83rd, 84th, 85th, 86th, 87th, 88th, 89th, 90th, 91st, 92nd, 93rd, 94th, 95th, 96th, 97th, 98th, 99th, 100th, 101st, 102nd, 103rd, 104th, 105th, 106th, 107th, 108th, 109th, 110th, 111th, 112th, 113th, 114th, 115th, 116th, 117th, 118th, 119th, 120th, 121st, 122nd, 123rd, 124th, 125th, 126th, 127th, 128th, 129th, 130th, 131st, 132nd, 133rd, 134th, 135th, 136th, 137th, 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Steering fault causes world champion to crash in qualifying for Brazilian Grand Prix



An anxious Schumacher, of Germany, runs to safety from his Benetton car and off the track after steering problems caused his crash during the qualifying stages of the Brazilian Grand Prix in São Paulo yesterday

Schumacher threatens to pull out

FROM OLIVER HOYT
IN SÃO PAULO

IT TOOK them 20 minutes to move Michael Schumacher's battered Benetton-Renault from its resting place near the tyre wall yesterday. It was winched onto a lorry and carried to a funeral pace back to the pits as the rest of the drivers waited to resume qualifying for tomorrow's race. Then the garage doors came down at Benetton.

Johnny Herbert, Schumacher's new team-mate, began his season by not turning a wheel all afternoon as the team puzzled over what had caused the German's accident, while the rest of Formula One collectively shook its head that a crash should mar the opening session of a new season that so desperately needs positive beginnings.

It was clearly not a minor problem. Schumacher, the world champion, spoke to German television some minutes after the session and threatened to pull out of tomorrow's race if the cause of the trouble was not isolated. Indeed, the season, barely into its stride, seemed already to be in some disarray.

Schumacher had begun where he left off last year in Adelaide — bouncing off a

wall. He had completed only two laps under the ashen skies that blanketed the city when he ran wide onto the grass at the exit of a right-hand corner, spun at 140mph and hurtled backwards into the protective cloak of tyres.

He leapt out unhurt, leaving the battered remains of his car behind him and his pride badly damaged. Herbert was ready to go out, but the team stopped him after early indications the accident had been caused by a steering problem.

Even the suspicion of a form of steering failure sent shudders through the paddock. Many suspect that Ayrton Senna's crash at Imola last year may have been caused by a similar problem and for the issue to be raised again here, in Senna's home city, and at a time when he is being missed most keenly before his home grand prix, seemed particularly cruel.

Yet if the year had begun in the worst possible way for Benetton and Schumacher, it started almost perfectly for Williams and Damon Hill, who missed out on the championship so narrowly in Adelaide. Hill extended the domination he had established in the morning practice session into afternoon qualifying and finished nearly one

second quicker than his nearest rival, Gerhard Berger, in a Ferrari.

David Coulthard, who is still recovering from a bout of tonsillitis, completed Williams' happy day by setting the third-quickest time, just ahead of the other Ferrari driven by Jean Alesi. Schumacher finished sixth behind Mika Hakkinen's McLaren-Mercedes.

Hill looked determined and smooth as he emerged from the garage halfway through the session and immediately went more than a second quicker than Berger's previous fastest time. When the Austrian closed the gap, Hill

CAR 95

In Car 95 today:
the complete colour guide
to the Formula One season

responded by extending it again.

"I hesitate to say that was a perfect start, but it was a damned good one," Hill said. "I will just have to do that in another 31 qualifying sessions. Ferrari are looking like the most competitive of our rivals,

but we are looking good for the rest of the season."

Schumacher said a link in the steering system had broken, causing him to lose control. "I am not hurt in any way," he said. "I feel okay, but obviously I am very surprised that this should happen. We have done so much testing and had no problems. Now we have to thoroughly examine the car."

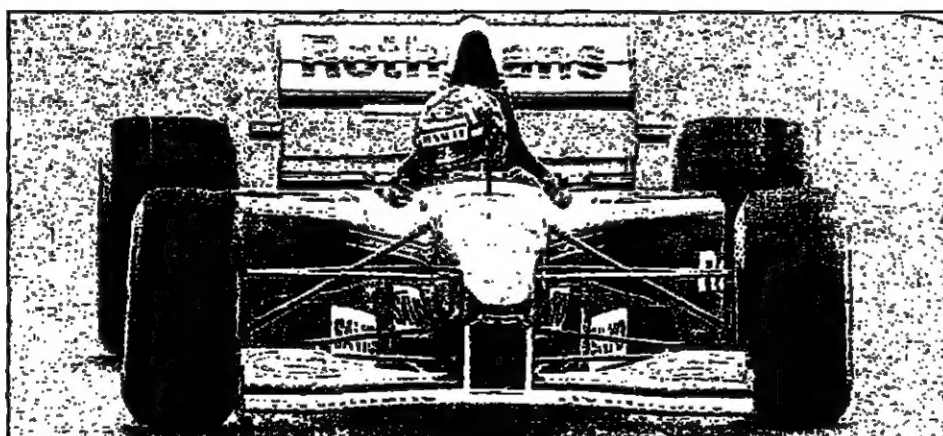
Benetton appear to have been plagued by bad luck all week. On Thursday, a friend of the team's managing director, Flavio Briatore, was detained at São Paulo airport because the correct visa had

not been issued and yesterday morning electrical problems hampered the team's ability to produce competitive practice times. Last night, their mechanics faced a busy night repairing Schumacher's car and trying to rectify the steering problem.

It was a bad day, too, for the driver many Brazilians are pinning their hopes on as the heir to Senna. Rubens Barrichello, 22, had not completed his first lap when a puff of smoke emerged from his Jordan-Peugeot and he slowed to a halt on a gradual incline before running back to the pits carrying his seat so he could fit it into his team-mate's car. He was able to complete seven more laps in that and finished eleventh in the overall standings. His team-mate, Eddie Irvine, was eighth.

The apparent engine failure provided McLaren, who split with Peugeot last year, with some solace after the hardships they have endured in the last fortnight over the absence of Nigel Mansell. Apart from Hakkinen's encouraging performance, Mark Blundell finished a creditable ninth after only a handful of testing laps in the car.

Supporting cast, page 31
Hill interview, Magazine



Hill comfortably records the fastest qualifying time during yesterday's session

Date poses little threat to Graf's upward trend

FROM STUART JONES, TENNIS CORRESPONDENT, IN KEY BISCAYNE

STEFFI GRAF has so far collected 58 singles titles, three of them at the Lipton championships. When she retains the title, as is virtually certain to be the case here this afternoon, she will move into third place on her own in the women's roll-call of honours.

At present she is equal with Evonne Cawley and a huge gap lies ahead of her — Chris Evert finished with 157 and Martina Navratilova with 167 — and behind her. Next in the list of active players is Gabriela Sabatini, who has enlarged her collection of 27 by only two in the past two years.

Graf, despite fears that her back problem might inhibit her, and even cause premature retirement, is again standing apart. She opened last year, before the fault in her lower spine was detected, with 27 victories, before she dropped a set — against Natalia Zvereva in the final here. She has opened this year, after an absence of five months broken only by a fleeting appearance in one tournament, with 15 wins in straight sets.

In the process, she picked up her 87th title, indoors in Paris, last month and her 88th, outdoors at Delray Beach, a fortnight ago. The triumphant sequence was almost bound to continue as soon as Arantxa Sánchez Vicario, the top seed by virtue of her ranking, was knocked out.

Mary Pierce and Conchita Martínez, the only other con-

tenders who might have posed a threat, were among the few who did not enter.

Jana Novotna, the third seed, has not been able to take a set off Graf since infamously crumbling in the Wimbledon final of 1993. Her inferiority complex, a trait that is scarcely exclusive to her, was again evident during her twelfth successive defeat to Graf, 6-2, 7-5, in the semi-final.

Graf, the champion in 1987, 1988 and 1994, is not even certain to have to expend any energy in defending the title today. Her opponent, Kimiko Date, resembled a winged bird during the other semi-final, in which she benefited from another of Sabatini's extraordinary collapses, which may have lengthy repercussions.

The last time Sabatini lost after being 6-1, 5-1 ahead, at



Date: shoulder injury

the 1993 French Open against Mary Joe Fernandez, she did not win a tournament for almost two years. The psychological damage inflicted by a wounded Date, in recovering to win a match festooned with errors, 1-6, 7-6, 7-6, could be irreparable.

In the last of four previous meetings against Graf — half of them, curiously, here — Date was allowed a mere two games. Her shoulder injury, which has affected her for four years and flared up again during practice earlier in the week, increases the already overwhelming odds against her.

The odds were also stacked against Pete Sampras and Jonas Björkman in the final sets of their respective quarter-finals. Sampras, the holder, was a point away from falling 4-1 behind to Andrei Medvedev and Björkman was 5-2 down to Mats Wilander, a Swedish compatriot born in the same town of Växjö.

Demonstrating resilience far beyond the imagination of the fearful Sabatini, they both survived their ordeals. Sampras, warned for uncharacteristic verbal abuse as he yielded the second set on a tie-break, went through 6-1, 6-7, 6-4 and faces the unseeded Björkman, who eliminated Wilander 6-2, 1-6, 7-5.

RESULTS: Men's singles: Quarter-finals: P Sampras (US) to A Medvedev (RUS) 6-1, 6-7, 6-4; J Björkman (SWE) to M Wilander (SWE) 6-2, 1-6, 7-5. Women's singles: Semi-finals: S Graf (GER) to J Novotna (CZ) 6-2, 7-5; K Date (JPN) to G Sabatini (ARG) 1-6, 7-6.

Langer's climb continues as Faldo is cut adrift

FROM JOHN HOPKINS, GOLF CORRESPONDENT, IN PONTE VEDRA

BERNHARD LANGER clawed his way further up the leaderboard at the Players' Championship yesterday when he had a 71 in the second round here in Florida. Langer's round was just as up and down as his first had been, but this seems to be the way of the world for him these days.

He started at three under par, moved to five under as he reached the turn and then, for a brief glorious moment, took over the lead when he eagled the long 2nd to move to seven under par. There was not much wind but it was behind him and he made the 526-yard hole look short.

Yet just when it looked as though he was going to move further ahead, Langer faltered badly. He took a six on the 5th, a difficult par four, and then a five on the 7th, a less difficult hole but one that, nevertheless, demands respect. The result was a round of 71 for a 36-hole total of 140, four under par. Also on this mark were Davis Love III after a 67 and a little-known American, Steve Stricker.

Nick Faldo's attempt to beat the cut never got going. Faldo, eight over par and 14 strokes behind the leader overnight, needed a 66, at worst, to stand a chance of surviving to the third round. Although the muse was visiting Langer, Seve Ballesteros, 68, and Ian Woosnam, 69, both of whom improved significantly on their first rounds, it did not

visit Faldo, whose 73 put him nine over par. Inevitably, he missed the cut.

He got revenge on the 17th, however, but that was about all. On the tricky, near-island green where he had hit two balls into the water on the windy first day, he struck his tee shot to eight feet and holed the putt, thereby bettering his first-round score by five strokes.

The blustery wind of the previous day had gone to be replaced by a soft, sunny day

SCORES

US unless stated
EARLY SECOND-ROUND LEADERS:
140: D Leno 73, 67; S Stricker 68, 71; B Langer (GER) 68, 71; 141: T Lehto 71, 71; 142: L Clements 71, 71; T Lehman 71, 71; 143: R Gomez 74, 68; B Bryant 72, 71; J Woosnam (Wales) 74, 68; W Andrade 74, 69; S Ballesteros (Sp) 75, 68; L Jensen 69, 74; P Jacobson 74, 69; J Hoggan 71, 72; T Watson 72, 71; 144: J O'Callaghan 74, 70; C Byron 73, 71; E Els (SA) 72, 72; 145: A Menger 70, 75; T Kite 71, 74; R Modiano 71, 74; F Couples, 73, 72

with hardly a breath of wind. On such a day, the statistics of the previous day on this 132-yard hole were but a memory. 41 balls in the water, 15 birdies, 88 pars, 19 bogeys, 26 double-bogeys and six others.

Faldo shows a surprising vulnerability sometimes. Playing the wrong ball in the Open Championship at Turnberry when his own was clearly marked with the figure 13 is bizarre. So is playing with the wrong compression

balls here, which is what he ascribed his bad first round to when he reached the clubhouse late on Thursday evening.

"Bridgestone put the wrong balls in my locker," Faldo said. This begs several questions: first, should he not have checked the compression of the balls he was using before he went to the tee of his first hole and, second, does the compression of a ball really make so much difference to a player of Faldo's stature?

Woosnam played some glorious iron shots in his second round and showed that the extraordinarily long rest from tournament golf appears to have done him little harm. He pitched dead for a simple birdie on the 2nd, hit his second shot to four feet on the 4th and his second to eight feet on the 6th. He was swinging simply and making it all look very easy.

His blemishes came on the 6th where he three-putted, his first going two feet past, and on the 7th, where he was a little unlucky. His pitch landed short of the green and he hurried forward and over the back. Even on firm greens such as these, this looked an unfair result. He could not get close enough to one-putt with his chip and another stroke was gone. But a round of 69 for a halfway total of 143 represents a satisfactory two days' work.

Riding a storm, page 31



YESTERDAY'S QUALIFYING TIMES

1, D Hill (GB) Williams 1min 20.081sec (av 104.428 kph); 2, G Berger (Austria) Ferrari 1:21.015; 3, D Coulthard (GB) Williams 1:21.343; 4, J Alesi (Fr) Ferrari 1:22.017; 5, M Hakkinen (Fin) McLaren 1:22.017; 6, M Schumacher (Ger) Benetton 1:22.131; 7, O Pantoja (Fr) Ligier 1:22.208; 8, E Irvine (GB) Jordan 1:22.370.	123.470; 14, H-H Frenzen (Ger) Sauber 1:24.065; 15, U Katsenberger (Japan) Tyrrell 1:24.165; 16, L Badoer (It) Minardi 1:24.443; 17, K Wondolinger (Austria) Sauber 1:24.723; 18, B Gachot (Fr) Pacific 1:25.819; 19, T Inoue (Japan) Footwork 1:27.026; 20, R Moreno (Br) Ford 1:27.204; 21, A Montanari (It) Pacific 1:27.440; 22, P Martin (Br) Minardi 1:58.532; 23, J Verstappen (Hol) Strak 2:01.610.
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Did not practice: J Herbert (GB) Benetton.

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